DOMINION OF CANADA

OFFICIAL REPORT

OF

DEBATES

HOUSE OF COMMONS

DEPARTMENT OF SECRETARY OF STATE OF CANADA.
NOV 19 1948
LIBRARY

FIFTH SESSION—NINETEENTH PARLIAMENT

8 GEORGE VI, 1944

VOLUME II, 1944

COMPRISING THE PERIOD FROM THE SECOND DAY OF MARCH, 1944,
TO THE SEVENTEENTH DAY OF APRIL, 1944, INCLUSIVE

BEING

VOLUME CCXL FOR THE PERIOD 1875-1944

INDEX ISSUED IN A SEPARATE VOLUME

OTTAWA
EDMOND CLOUTIER
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1944

DOMINION OF CANADA

OFFICIAL REPORT

OF

DEBATES

OF THE

HOUSE OF COMMONS

FIFTH SESSION—NINETEENTH PARLIAMENT

8 GEORGE VI, 1944

VOLUME II, 1944

VOLUME CXL FOR THE PERIOD 1875-1911

EDMOND CLOUTIER
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1944

CANADA

House of Commons Debates

OFFICIAL REPORT

Thursday, March 2, 1944

The house met at three o'clock.

WAR EXPENDITURES

CHANGE IN PERSONNEL OF SPECIAL COMMITTEE

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

That the name of Mr. Factor be substituted for that of Mr. Gladstone on the war expenditures committee.

Motion agreed to.

IMMIGRATION

PETITION FROM "LA SOCIÉTÉ SAINT-JEAN BAPTISTE DE QUÉBEC" PROTESTING AGAINST ANY IMMIGRATION

On the order for motions:

Mr. WILFRID LaCROIX (Quebec-Montmorency) (Translation): Mr. Speaker, I wish to submit to the House of Commons a petition from the "Société Saint-Jean Baptiste de Québec", bearing a total of 162,889 signatures and directed to the honourable members of the House of Commons in parliament assembled. The said petition strongly protests against any immigration, demands that the strict enforcement of immigration bans be continued, opposes the issuing of special or discretionary permits for admission into this country, and lastly, urges the Canadian government to take whatever action may be necessary with a view to preventing any immigration into this country.

Here is one set of petitions from the city of Quebec, bearing 42,421 signatures; one from the county of Kamouraska with 9,006 signatures; one from the county of Montmagny with 7,049 signatures; one from the county of Megantic with 9,147 signatures; one from the county of L'Islet with 7,654 signatures; one from the county of Quebec with 11,084 signatures; one from the county of Beauce with 18,976 signatures; one from the county of Montmorency with 4,279 signatures; one from the county of Dorchester with 9,282 signatures; one from the county of Lotbinière with 6,190 signatures; one from the county of Lévis with 11,555 signatures; one from the county of Portneuf with 11,410 signatures; one from the county of Rivière du Loup with 5,141 signatures; one from the county represented by the genial member for Bellechasse (Mr. Picard) with 7,168 signatures, and many others.

DOMINION ELECTIONS ACT

INMATES OF INSTITUTIONS FOR THE POOR

Mr. ROBERT FAIR (Battle River) moved for leave to introduce Bill No. 8, to amend the Dominion Elections Act, 1938.

He said: Paragraph (k) subsection 2 of section 14 of the Dominion Elections Act, 1938, reads as follows:

(k) in any province, every person who is an inmate of an institution which is maintained by any government or municipality for the housing and maintenance of the poor, if such person is by the law of that province disqualified from voting at an election of a member of the legislative assembly of that province, and did not serve in the military, naval or air forces of Canada in the war of 1914-1918.

I contend that this disqualification should not be in the elections act of any democratic country, and the purpose of this bill is to have that particular clause removed before the next election.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk)

SHIPBUILDING—COSTS IN GOVERNMENT AND PRIVATELY-OWNED PLANTS

Mr. FRASER (Peterborough West):

1. What are the names and addresses of the 14 major steel yards, as mentioned in *Votes and Proceedings*, Wednesday, 26th January, 1944, page 776, building ships in Canada?

2. What are the names and addresses of the five smaller steel yards, as mentioned in *Votes and Proceedings*, Wednesday, 26th January, 1944, page 776, building ships in Canada?

3. What are the names and addresses of the 62 shipyards building wooden ships in Canada, as mentioned in *Votes and Proceedings*, Wednesday, 26th January, 1944, page 776?

4. What are the names and addresses of the outfitting yards, as mentioned in *Votes and Proceedings*, Wednesday, 26th January, 1944, page 776?
5. How many of these companies are government owned?
6. If privately owned, what are the names of the companies, and what are the names of the directorates of each company?
7. Does it cost more to build a ship of the 10,350-ton class in a government-owned plant than in a privately-owned plant?
8. Does it cost more to build a ship of the 4,700-ton class in a government-owned shipbuilding plant than in a privately-owned plant?
9. What is the differential in total cost (including extras) between ships constructed in government-owned yards or plants and in privately-owned yards or plants for ships, (a) of 10,350-ton class; (b) of 4,700-ton class?

Mr. CHEVRIER:

1. It is not in the public interest to give the specific location of Canada's shipyards. The answers to this question denote the province only where such shipyards are located:

Yarrows Limited, British Columbia.
Canadian Vickers Limited, province of Quebec.
Davie Shipbuilding & Repairing Co. Ltd., province of Quebec.
Geo. T. Davie & Sons Ltd., province of Quebec.
Morton Engineering & Drydock Co. Ltd., province of Quebec.
Port Arthur Shipbuilding Co. Ltd., Ontario.
The Collingwood Shipyards Limited, Ontario.
Midland Shipyards Limited, Ontario.
Toronto Shipbuilding Co. Ltd., Ontario.
Kingston Shipbuilding Co. Ltd., Ontario.
Halifax Shipyards Limited, Nova Scotia.
Government-owned outfitting yard operated by Anglo-Canadian Pulp & Paper Mills Ltd., Shipbuilding Division, province of Quebec.
Government-owned outfitting yard operated by Carter-Halls Aldinger Co. Limited, Ontario.
Government-owned outfitting yard operated by Canadian Comstock Co. Limited, New Brunswick.

Note: A government-owned company, Quebec Shipyards Limited, supervises the Morton Engineering & Drydock Company, Geo. T. Davie & Sons Limited, and the government-owned outfitting yard operated by Anglo-Canadian Pulp & Paper Mills Ltd., shipbuilding division, in the province of Quebec.

2. Canadian Dredge & Dock Co. Ltd., Ontario.
Canadian Bridge Co. Ltd., Ontario.
Central Bridge Co. Ltd., Ontario.
Russel Bros. Ltd., Ontario.
Montreal Drydock Co. Ltd., province of Quebec.

[Mr. G. K. Fraser.]

3. Canadian Fairbanks-Morse Co. Ltd., Nova Scotia.
M. R. Chappell, Nova Scotia.
Clare Shipbuilding Co. Ltd., Nova Scotia.
H. Clarke, Prince Edward Island.
Eastern Woodworkers, Nova Scotia.
J. Etherington, Nova Scotia.
Foundation Maritime Limited, Nova Scotia.
Industrial Shipping Ltd., Nova Scotia.
J. D. Irving & Co., New Brunswick.
Leblanc Shipbuilding Co. Ltd., Nova Scotia.
K. MacAlpine & Sons, Nova Scotia.
W. C. McKay & Sons, Nova Scotia.
S. G. Mason, Nova Scotia.
McMulkin & Sons & Ashley Coulter, New Brunswick.
Palmer & Williams, Prince Edward Island.
Walter Pinaud, Nova Scotia.
S. S. Rafuse, Nova Scotia.
Shelburne Shipbuilding Co. Ltd., Nova Scotia.
Silver's Agencies Ltd., Nova Scotia.
Smith & Rhuland, Nova Scotia.
J. A. Urquhart, Nova Scotia.
Vaughan Shipbuilding Co. Ltd., New Brunswick.
Wagstaff & Hatfield, Nova Scotia.
Laurent Berger, province of Quebec.
Canada Plycraft, province of Quebec.
Chantier Maritime du St. Laurent Ltee., province of Quebec.
J. A. Doucet, province of Quebec.
F. X. Lachance, province of Quebec.
Les Canots Cadorettes, province of Quebec.
Bordeur Bros. & Gould, Ontario.
Dawson Boat Works, Ontario.
Duke Boats, Ontario.
Gordon Boat Works, Ontario.
J. A. Grant & Sons, Ontario.
Greavette Boats Ltd., Ontario.
Grew Boats Ltd., Ontario.
Howard Furnace & Foundries Ltd., Ontario.
Hunter Boats, Ontario.
W. J. Johnson, Ontario.
MacCraft Co. Limited, Ontario.
McCall & Company, Ontario.
Midland Boat Works, Ontario.
Minett Shields, Ontario.
Morris Boat Works, Ontario.
Norse Boat & Ski, Ontario.
S. H. Perry & Son, Ontario.
Port Carling Boat Works, Ontario.
Peterborough Canoe Co., Ontario.
Rice Lake Boat Works, Ontario.
C. Richardson, Ontario.
J. J. Taylor & Sons, Ontario.
Armstrong Bros. Ltd., British Columbia.
Beach Avenue Shipyards, British Columbia.
A. C. Benson, British Columbia.
Dominion Construction Co., British Columbia.

McKenzie Barge & Derrick Co. Ltd., British Columbia.
Newcastle Shipbuilding Co. Ltd., British Columbia.
Prince Rupert Drydock Co. Ltd., British Columbia.
Star Shipyard (Mercer's) Ltd., British Columbia.
Vancouver Shipyards Ltd., British Columbia.
Victoria Motor Boat Co. Ltd., British Columbia.
A. J. Jones Ltd., British Columbia.

4. Government-owned outfitting yard operated by Anglo-Canadian Pulp & Paper Mills Ltd., Shipbuilding Division, province of Quebec.
Government-owned outfitting yard operated by Carter-Halls Aldinger Co. Limited, Ontario.
Government-owned outfitting yard operated by Canadian Comstock Co. Limited, New Brunswick.

5. Assuming that "these" refers to the yards spoken of in Question 1, the answer is:
Four, as follows:
Toronto Shipbuilding Company Limited, Ontario.
Quebec Shipyards Limited, province of Quebec, supervising the operations of Morton Engineering & Drydock Company, Geo. T. Davie & Sons Ltd., and the outfitting yard operated by Anglo-Canadian Pulp & Paper Mills Limited, Shipbuilding Division.
Government-owned outfitting yard operated by Carter-Halls Aldinger Co. Limited, Ontario.
Government-owned outfitting yard operated by Canadian Comstock Co. Limited, New Brunswick.

6. All other companies are privately owned. Names of directorates of each company are not known.

7. From such tentative figures as are available, it appears that the most expensive ship at United Shipyards Limited exceeded the cost of the most expensive ship in any of the privately-owned yards. Also it appears that later ships at United Shipyards Limited are not costing more than the cost in some privately-owned yards. See also the minister's statement on ship costs, pages 759, 760 and 761, daily *Hansard* of February 22, 1944.

8. Three yards have been building 4,700-ton ships. Two of these are privately-owned and operated and in the case of the third, the plant is owned by the government but operated by a private company on a fee basis. From tentative figures available it appears that the costs in the government-owned plant are higher than in the other two yards. We have reason to believe that later ships in the government-owned yard will not cost more than ships built at the same date in the privately-owned yards. It should be considered that the company operating the government-owned plant on a fee basis is producing these 4,700-ton ships in about one-half the number of days taken by the other two yards. See also the minister's statement on ship costs, pages 759, 760 and 761, daily *Hansard,* February 22, 1944.

9. The differential cannot now be determined. See answers to questions 7 and 8.

Note: It should be noted that the first six questions asked refer to *Votes and Proceedings,* page 776, dated the 26th of January, 1944, and have reference to yards employed on naval work only, and do not include any of the yards employed on cargo work. In the *Votes and Proceedings* the 14 yards are specifically mentioned as presently engaged on naval ships.

Questions 7, 8 and 9 refer to cargo ships being built in other yards, some of which are government-owned.

WHEAT USED BY MILLERS

Mr. ROSS (Souris):

1. How many bushels of wheat were used by millers of Canada during each of the years 1942 and 1943?
2. What was the actual cost per bushel to the miller?
3. What amount per bushel was taken care of by government subsidy in each year?
4. What is the government subsidy at present allowed per bushel for wheat used by millers?

Mr. MacKINNON (Edmonton West):

1. 1942—93,134,762 bushels; 1943—108,448,431 bushels.
2. No information.
3. Per bushel amount by months:

	Crop year 1942-43	
	Spring wheat Cents per bu.	Durum wheat Cents per bu.
August	11⅝	11⅝
September	12¼	14¼
October	12⅝	17⅝
November	13⅛	18⅜
December	13⅛	13⅝
January	13⅛	18⅝
February	13¼	26⅛
March	19⅞	37⅞
April	21⅝	31⅛
May	21⅝	32⅝
June	24⅛	32⅝
July	31⅞	36⅛

	Crop year 1943-44	
	Spring wheat Cents per bu.	Durum wheat Cents per bu.
August	33⅜	41¼
September	38½	46⅝
October	46⅝	52¼
November	47⅝	52⅝
December	47⅝	52⅝
January	47⅝	52⅝

N.B.—The above per bushel amounts are based upon the excess of the monthly average prices of No. 1 northern and No. 1 C. W. durum wheat in store Fort William-Port Arthur over the domestic ceiling price of 77⅜ cents per bushel. Payments have been made on 35,559,570 bushels of spring wheat and on 1,064,489 bushels of durum wheat in the 1942-43 crop year, and on 25,752,384 bushels of spring wheat and on 510,956 bushels of durum wheat to date in the 1943-44 crop year, with the January, 1944, payments still incomplete.

4. For spring wheat—47⅝ cents per bushel. For durum wheat—52⅝ cents per bushel.

HONEY

Mr. TUSTIN:

1. On what date did the wartime prices and trade board freeze the price of honey?
2. At what price was a ceiling placed on honey?
3. On what date did the wartime prices and trade board raise the price of honey by three cents?
4. Was the importation of bees prohibited, and if so, during what period, and what was the date of the order of prohibition?
5. By whose order and on whose advice were containers of rationed honey fixed at six ounces?
6. Has it been the custom of producers of honey to use 16-ounce containers, or multiples thereof?
7. Is it the intention of administrators of the wartime prices and trade board to discourage the sale of honey to consumers by producers?

Mr. ABBOTT:

1. Ceiling prices were established for honey:

(a) on December 1, 1941, except for sales made by primary producers to dealers, which sales were exempt from this ceiling.

(b) on September 14, 1942, by an order of the board, maximum prices were established covering all sales of honey.

This order was replaced by a subsequent order effective June 21, 1943.

2. Board orders No. 182 and No. 286 established a maximum wholesale price of:

(a) 12½ cents per lb. on extracted honey sold in bulk, and

(b) 14 cents per lb. on pasteurized honey.

3. There has been no increase in the price of honey in bulk as set out in the board's orders. Under the board's order, the maximum retail price to be charged by primary producers of bulk honey is the maximum wholesale price plus a mark-up of not more than 3 cents per lb.

4. No.

5. Extracted honey was included in the preserves ration by the wartime prices and trade board at 6 fluid ounces per coupon effective September 2, 1943.

Effective September 20, 1943, this coupon value was raised by the board to 12 fluid ounces, a level which was regarded as being satisfactory to move the balance of the crop available to be sold. (A substantial part of the crop had been sold before rationing began.) For the coming year when all of the honey crop will be subject to rationing, the coupon value has been established at 24 fluid ounces.

6. Yes.

7. No. Both the ceiling price regulations and the rationing regulations established by the Board have made adequate provision for direct producer-consumer sales. (See answers to questions 3 and 5).

CANADIAN WAR RECORDS OFFICE

Mr. ROSS (Souris):

1. Who was O.C. Canadian war records at Ottawa, January 1, 1940?
2. Who is now O.C. Canadian war records at Ottawa?
3. What was his previous address?
4. What was his previous war record?
5. How many men are employed on war record staff?
6. How many of this staff enrolled under National Resources Mobilization Act?
7. How many of these have been overseas on active service?

Mr. MACDONALD (Halifax):

1. A/Lieutenant-Colonel (now Colonel) W. E. L. Coleman, M.C., V.D.

2. A/Colonel C. L. Laurin, O.B.E., E.D.

3. A/Colonel C. L. Laurin, O.B.E., E.D., O.C., 1st Airfield Defence Battalion, Canada.

4. District Record Officer, M.D. 4, 5-9-39 to 30-3-40.
D.A.A.G., M.D. 4, 31-3-40 to 15-12-40.
D.A.A.G., N.D.H.Q., 16-12-40 to 7-7-41.
A.A.G., N.D.H.Q., 8-7-41 to 13-7-42.
O.C., Regiment de Chateauguay, 14-7-42 to 18-7-43.
Awarded O.B.E., June, 1943.
O.C., 1st Airfield Defence Bn., 19-7-43 to 13-10-43.
Director of Records, 15-10-43 to date.

5. Officers 25
Other ranks..... 295
Civilians (male)..... 39
359

6. 36 Other ranks.

7.

	War 1914-18	Present war
Officers	13	9
Other ranks.....	48	10
Civilians	..	1
	61	20

Note—Of the total, 5 Officers and 1 Other rank have served overseas in both wars.

ESQUIMALT DOCK YARD—POLE LINE DISTRIBUTION SYSTEM

Mr. MacINNIS:

1. Is there a pole line distribution system being installed in the naval dockyard at Esquimalt, British Columbia?

2. If so, when was the work commenced?

3. What is the cost of the work done, (a) material; (b) wages, from time of commencement to date?

Mr. MACDONALD (Kingston City):

1. Yes. A contract was arranged by the Department of Munitions and Supply with the B.C. Electric Company to bring a power line to the dockyard together with the supply of necessary transformers. The dockyard authorities are completing the necessary distribution system in the dockyard with dockyard employees and material purchased through Munitions and Supply.

2. 10th March, 1943.

3. (a) $47,933.51; (b) $6,945.60 (these figures include the contract above mentioned).

WHEAT BOARD—ADVISORY COMMITTEE

Mr. PERLEY:

1. How many meetings did the advisory committee to the Canadian wheat board hold during the year 1943, and where?

2. What remuneration and expense allowance was paid to each member for such meetings?

3. How often did the said committee meet with the Canadian wheat board officers during the year 1943?

Mr. MacKINNON (Edmonton West):

1. Four; two meetings in Winnipeg, one meeting in Regina and one meeting in Ottawa.

2.

	Honorarium	Subsistence	Travelling	Total
R. C. Brown	$ 160	$ 160	$ 141.05	$ 461.05
D. A. Campbell	—	110	345.89	455.89
F. A. Clendenning	190	190	182.30	562.30
Paul L. Farnalls	220	220	256.45	696.45
Lew Hutchinson	260	260	342.30	862.30
Jas. A. McCowan	180	180	200.95	560.95
Fred Pettypiece	190	190	293.74	673.74
R. C. Reece	100	60	126.70	286.70
J. Theo. Roy	60	60	142.43	262.43
A. C. Reid	—	80	158.45	238.45
J. H. Wesson	130	110	191.70	431.70
	$1,490	$1,620	$2,381.96	$5,491.96

3. On the occasion of each meeting.

AUDITOR GENERAL'S REPORT—REMISSIONS TO INSURANCE COMPANIES

Mr. KNOWLES:

For what reasons were amounts totalling $3,400 remitted to insurance companies, as indicated in item 29, on page 11 of the auditor general's report for 1942-43?

Mr. ABBOTT: Under the insurance acts of the dominion, annual statements are required to be filed by registered companies with the Department of Insurance not later than March first in each year, and a penalty of ten dollars is incurred for each day's default in compliance.

Since the outbreak of war, many companies, principally those with head offices overseas, have found it impossible, by reason of interrupted communication systems and shortage of man-power, to file their statements on time and penalties incurred have been remitted by order in council.

The amount of $3,400 was remitted to twenty-six companies.

AUDITOR GENERAL'S REPORT—PROFIT OF 40 PER CENT ON CONTRACT

Mr. KNOWLES:

Has adjustment or explanation been made with reference to a profit of 40 per cent on cost as disclosed by the cost audit on the contract referred to in item 163 on page 50 of the auditor general's report for the year 1942-43?

Mr. CHEVRIER: Yes.

OIL CONTROL—RENTAL OF SPACE IN SAINT JOHN

Mr. HANSON (York-Sunbury):

1. What space, if any, has been rented by the oil control, Department of Munitions and Supply, from J. Clark & Son, Limited, in the city of Saint John or elsewhere in the province of New Brunswick?

2. What rent is being paid for each such space, and what are the rental terms with respect to area, time, termination of rental contracts, improvements, heating, alterations and other like conditions?

3. Specifically, have the premises at 28 Germain street, Saint John, been rented from this company? If so, give full particulars of all material points of this contract.

Mr. FOURNIER (Hull):

1. The Department of Public Works leases from J. Clark & Son, Limited, for the oil controller of the Department of Munitions and Supply, space on the ground floor of building at 28-32 Germain street, Saint John, N.B.

2. Rent—$1,860 per annum. Floor area—2,500 sq. ft. Term: From April 1, 1943, until cessation of hostilities and thereafter on a monthly basis. Lessor attends to all repairs, taxes, water rates, and provides heating, cleaning of windows and toilet accommodation. Crown pays for lighting and cleaning.

3. See answers to Nos. 1 and 2.

RAILWAYS—USE OF SOLDIERS IN OPERATION AND MAINTENANCE

Mr. POULIOT:

How many soldiers have been used, (a) by the Canadian National Railways; (b) by the Canadian Pacific Railway, for the development, operation and maintenance of said railways, by virtue of an order in council made public in November, 1943?

Mr. MICHAUD: (a) 246; (b) 282.

MOTOR VEHICLES—LICENCES AND GASOLINE RATIONING

Mr. REID:

1. What was the number of motor licences issued in each province for the fiscal year 1943, for, (a) passenger cars; (b) commercial vehicles; (c) farmer's trucks?

2. What number of ration cards for gasoline have been issued during the present fiscal year and up to December 31, 1943, in each province, giving the number issued in categories A, B, C, D, E?

Mr. CHEVRIER:

1. The issuance of motor licences is a provincial jurisdiction and the number is not known to the department.

2. To December 31, 1943, gasoline ration books had been issued for the fiscal year 1943-44 in each province in the following categories.

	AA	A	B	C	D	E	A.R.P.	Cars on W.I.T.*	Commercial
Alberta	37,064	42,445	11,736	1,083	237	173	...	...	35,346
British Columbia	75,502	15,456	6,882	1,654	416	292	237	8,635	27,717
Manitoba	32,918	24,196	12,416	1,447	357	339	...	...	24,846
New Brunswick	13,081	11,124	1,942	721	337	375	43	...	9,573
Nova Scotia	26,182	12,472	1,984	1,207	515	312	2	4,029	17,805
Ontario	405,383	140,867	54,470	6,593	1,556	1,149	1,879	31,971	95,766
P.E.I.	1,945	3,897	292	89	23	22	...	...	1,883
Quebec	103,205	46,069	20,790	6,036	928	652	541	5,788	47,434
Saskatchewan	37,013	47,214	4,829	440	156	90	...	2,506	39,390
Total	732,293	343,740	115,341	19,270	4,525	3,404	2,702	53,929	299,760

* Wartime Industrial Transit.

WELLINGTON BARRACKS, HALIFAX—GYMNASIUM

Mr. BLACK (Cumberland):

1. Has a gymnasium been provided at Stadacona, Wellington barracks, Halifax, Nova Scotia?

2. If so, (a) what are the names of those who tendered for this work; (b) to whom was contract let, and for what amount; (c) what is the size of the building and type of construction; (d) time for completion; (e) estimated cost complete with equipment?

[Mr. Abbott.]

Mr. MACDONALD (Halifax):

1. Yes, a building for physical training, gymnasium and swimming pool.

2. (a) Anglin Norcross Maritime Limited, Montreal, P.Q. Following is an extract from P.C. 10774 dated 26th November, 1942, "that in view of the close relation of this additional work to the work already being carried out at the site by the present contractor, it is

considered that such additional work can best be performed by the present contractor and that it is not practicable to call for tenders; that the contractor has accordingly been asked to quote on the additional work, and has submitted prices as follows." Copy of P.C. 10774 appears below.

(b) Anglin Norcross Maritime Limited, Montreal, P.Q., in the amount of $638,000 to be considered as a ceiling price as per P.C. 10774.

(c) Size of the building is 130' x 207' on side of which is swimming pool building 84' x 154'. Type of construction—concrete base with full brick wall which conforms with standard of building codes of Canada.

(4) Commencement date 1st March, 1943, estimated completion date 1st June, 1944, 76 per cent complete as at 15th February, 1944.

(e) Estimated cost complete without equipment $638,000. Cost of equipment, $7,582. Total estimated cost complete including the equipment, $645,582. The estimated cost of the equipment has not been approved and is subject to further review.

P.C. 10774

Certified to be a true copy of a Minute of a Meeting of the Committee of the Privy Council, approved by His Excellency the Governor General on the 26th November 1942.

The Committee of the Privy Council have had before them a report dated 26th November, 1942, from the Minister of Munitions and Supply representing that Order in Council P.C. 5051 of July 9, 1941 and subsequent amendments thereto, authorized entry into a contract, at a ceiling price of $5,342,015.00, with Anglin-Norcross Maritime Limited, Montreal, P.Q., covering the construction of certain buildings at the Naval Training Centre, Nelson Barracks, Halifax, N.S., required by the Department of National Defence (Naval Services);

That the Department of National Defence (Naval Services) has now requested the department to arrange for additional construction work necessary as a result of a decision to expand the said training centre, consisting of: (1) alterations to signals and asdic building; (2) guard house; (3) workmen's camps; (4) changes in power substation; (5) C.P. & P.O. building; (6) physical training centre; (7) additional sewer, water and road facilities; (8) additions to Block "A".

That in view of the close relation of this additional work to the work already being carried out at the site by the present contractor it is considered that such additional work can best be performed by the present contractor and that it is not practicable to call for tenders;

That the contractor has accordingly been asked to quote on the additional work, and has submitted prices as follows:

(1) Alterations to signals and asdic building	$ 80,743 00
(2) Guard house	106,088 00
(3) Workmen's camps	225,000 00
(4) Changes in power substation	8,250 00
(8) Additions to Block "A"..	3,000 00

That it is proposed to award the work for the above listed items on the basis of the prices quoted subject, however, to the provision that such prices are to be considered as ceiling prices and that in no event will the contractor be paid an amount greater than the actual cost of the work plus 5% of such cost. The actual cost will be determined in accordance with the terms of the original contract;

That the plans for the three remaining items are not yet complete so that it is not possible to obtain quotations for them. The estimated cost of such items is as follows:

(5) C.P. & P.O. Building	$621,887 00
(6) Physical training centre..	638,000 00
(7) Additional sewer, water and road facilities	300,000 00

That it is proposed to award the work for these three items on the understanding that the contractor will quote prices for them as soon as possible, which prices will then be considered as ceiling price, subject to the provision above described;

That it is proposed to cover the above additional work by an amendment to the existing contract;

That funds to cover the estimated additional expenditure of $1,982,968, are provided by Department of National Defence (Navy) Financial Encumbrance No. 5721 as amended October 27, 1942.

The committee, therefore, on the recommendation of the Minister of Munitions and Supply advise that authority be granted for an amendment to the said contract with Anglin-Norcross Limited in accordance with the foregoing.

A. D. P. Heeney,
Clerk of the Privy Council.

The Honourable
The Minister of National Defence.

TRAIL SMELTER—FERTILIZER—SUBSIDIES AND FREIGHT RATES

Mr. CRUICKSHANK:

1. How much fertilizer was sold during the year 1943 from the Trail plant of the Consolidated Mining & Smelting Company to firms in British Columbia?

2. What amount to each firm?

3. (a) What is the freight rate between Trail and Chilliwack on this product; (b) what freight subsidy is paid per ton between Trail and Chilliwack ?

4. What amount of subsidy was paid on fertilizer in federal ridings in British Columbia of last year?

Mr. GARDINER:

1. The details of business of individual companies are treated as confidential.

2. See answer to question No. 1.

3. (a) 27 cents per 100 lbs. or $5.40 per ton; (b) None, the freight subsidies on shipments to points west of the Cascades are based on Vancouver freights.

4. The records of subsidies paid in 1943 were not based on federal ridings. The breakdown of fertilizer subsidies paid in British Columbia in 1943 by provincial districts, was as follows:

	Tons	
Lower Mainland	1,785·6	$8,679 32
Vancouver Island	284·2	1,258 95
Cariboo	72·9	446 53
Kootenay	18·4	108 77
Interior	83·5	501 96
Central	1·9	14 34
	2,246·5	$11,009 87

UNEMPLOYMENT—BUILDING TRADES

Mr. NICHOLSON:

How many men in the building trades in each of the provinces of Canada were registered as unemployed on the most recent date for which statistics have been compiled?

Mr. MARTIN:

"Unemployed Men in the Building Trades as at February 11, 1944"

Skilled and Semiskilled Construction Trades

	1	2	3	4
	Registrants not yet referred to jobs	Referred to jobs but confirmation of placement not yet received	Total registered 1 plus 2	Requests for employees on hand and in process of being filled
Prince Edward Island..	21	4	25	4
Nova Scotia	184	41	225	345
New Brunswick	46	47	93	112
Quebec	1,426	587	2,013	1,039
Ontario	992	259	1,251	925
Manitoba	375	20	395	39
Saskatchewan	112	4	116	38
Alberta	213	96	309	282
British Columbia	329	177	506	439
Canada	3,698	1,235	4,933	3,223

DEPARTMENT OF LABOUR—ANNUITIES—ACTUARIAL ASSISTANTS

Mr. KNOWLES:

1. What employees are now doing the work formerly done by the actuarial assistants in the annuities branch of the Department of Labour?

2. What are the duties of the actuarial clerks now in the employ of the annuities branch?

3. What are their qualifications?

4. What salary do they receive?

Mr. MARTIN:

1. Mr. C. D. Allen and Mrs. F. C. Davidson.

2. The duties of Mr. C. D. Allen consist of the immediate supervision of: The making of actuarial calculations, involving the costs of both past and future service and interviewing employers relative to proposed retirement annuity plans for employees; the annual valuations of retirement plans in force; actuarial calculations concerning withdrawals, deaths and retirements under group contracts and the issuing of individual contracts in connection therewith; correspondence on all matters affecting retirement annuity plans, office work and routine in connection with the foregoing.

The duties of Mrs. F. C. Davidson involve the making of actuarial calculations under individual contracts with respect to new or changing contracts, assisting in year-end valuation, the preparation of annual reports, financial statements and carrying on statistical and mortality investigations; assisting with actuarial calculations involving the cost of both past and future service respecting proposed retirement annuity plans for employees; assisting with the annual valuations of retirement annuity plans in force; actuarial calculations concerning withdrawals, deaths and retirements under group contracts.

3. Qualifications: Mr. C. D. Allen. (1) Graduation from Dalhousie university (B.A.) in mathematics and economics, (2) Passed three examinations of Actuarial Society of America, (3) Passed civil service grade four examination for university graduates, (4) First on eligible list, civil service competition for actuarial assistants (1943), (5) Five years experience in Annuities branch.

Qualifications: Mrs. F. C. Davidson. (1) Graduate of university of Manitoba (B.A.), specialization in Actuarial Science and Economics, (2) Three years experience in a division of the Actuarial department of the Great West Life Assurance Company, Winnipeg, (3) Passed three Life Underwriter examinations, 1940, (4) Three years experience with the government Annuities branch, (5) Placed on civil service grade 4 list, 1942, (6) Second in civil service competition for actuarial assistants, 1943.

4. Salary: Mr. C. D. Allen, $1,440 per year. War Duty Supplement, $120 per year. Cost of living bonus, $221.94 per year.

Salary: Mrs. F. C. Davidson, $1,320 per year. War Duty Supplement, $240 per year. Cost of living bonus, $221.04 per year.

E. P. TAYLOR

Mr. NICHOLSON:

1. What positions have been occupied by Mr. E. P. Taylor with the British, American and Canadian governments since the outbreak of war?

2. What are his present duties?

Mr. CHEVRIER:

1. Since the outbreak of war Mr. E. P. Taylor has occupied the following positions:

Canadian Government—Member, Executive Committee, Department of Munitions & Supply; Joint Director General, Munitions Production, Munitions & Supply; Executive Assistant to the Minister of Munitions & Supply; President, War Supplies Limited; Deputy Member for Canada, Combined Production and Resources Board; Canadian Chairman, Joint War Aid Committee, United States-Canada.

British Government—President and Vice Chairman, British Supply Council in North America; Director General, British Ministry of Supply Mission (formerly British Purchasing Commission).

2. None.

SELECTIVE SERVICE ADVISORY BOARDS—E. N. GRIGGS

Mr. KNOWLES:

1. Is there a set of employment and selective service advisory boards, national, regional and local, in operation on a voluntary basis? If so, when were these boards established?

2. Has there been established recently another set of selective service advisory boards on a salary basis? If so, under what date and by what authority?

3. In what way do the functions of the boards referred to in question (2) differ from those of boards referred to in question (1)?

4. What position does Mr. E. N. Griggs occupy in the government service? What salary is he paid by the government?

5. How many selective service regional advisory directors have been appointed, and what are their salaries?

Mr. MARTIN:

1. There are national and regional selective service advisory boards, also national, regional and local employment committees, all on a voluntary basis.

The national selective service advisory board was established by P.C. 2254, March 21, 1942.

The regional selective service advisory boards were established by P.C. 512, January 28, 1944.

The national employment committee was established September 23, 1941.

Five regional committees have been established by the unemployment insurance commission throughout the dominion.

Local employment committees, of which there are now forty-five, are established whenever the regional committee recommends their establishment or the local employment situation indicates that they are necessary.

2. & 3. See reply to question 1.

4. Mr. E. N. Griggs is regional director, national selective service, prairie region. His salary is $1,800 per annum.

5. Four regional directors, national selective service, have been appointed. Their salaries are as follows: Pacific regional director, $4,500 per annum; Prairie regional director, $1,800 per annum; Ontario regional director, $4,800 per annum; Quebec regional director, $4,800 per annum.

WINNIPEG STOCK MARKET—PRICES

Mr. DONNELLY:

1. What was the price for No. 1 choice butcher steers on the Winnipeg stock market on December 16, 1929; December 16, 1932, and December 16, 1943?
2. What was the price for calves, good and choice veal, on the Winnipeg stock market on December 16, 1929; December 16, 1932, and December 16, 1943?
3. What was the price of lambs, good handyweights, on the Winnipeg stock market on December 16, 1929; December 16, 1932, and December 16, 1943?
4. What was the price of sheep, good handyweights, on the Winnipeg stock market on December 16, 1929; December 16, 1932, and December 16, 1943?
5. What was the price of grade A hogs, dressed basis, delivered off trucks at yards and plants, on the Winnipeg stock market on December 16, 1929; December 16, 1932, and December 16, 1943?

Mr. MacKINNON (Edmonton West):

1. $9.25 to $9.50 per cwt.; $3.00 to $4.00 per cwt.; $11.50 to $11.75 per cwt.
2. $12.00 to $13.00 per cwt.; $5.00 to $6.00 per cwt.; $13.00 to $14.50 per cwt.
3. $8.00 to $10.50 per cwt.; $3.50 to $3.75 per cwt.; $10.75 to $11.00 per cwt.
4. $5.00 to $6.50 per cwt.; $1.75 to $2.00 per cwt.; $5.00 to $6.00 per cwt.
5. $14.00* per cwt.; $4.13* per cwt.; $16.30† per cwt.

*Bacon hogs converted to dressed basis.

†B-1 Grade A $1.00 per head additional at each date.

WARTIME HOUSING LIMITED—KINGSTON

Mr. CARDIFF:

1. What is the total of expenditure to date made by the government on the Wartime Housing Limited project at Kingston, Ontario?
2. How many houses have been built?
3. How many are now employed on the administrative staff?
4. Who are they, and what salary does each receive?

Mr. CHEVRIER:

1. $1,466,633.80, which covers the cost of 325 houses, a women's hostel and community buildings.
2. 325 houses.
3. There are eight employees on the administrative staff.
4.

	Per month
Mr. H. C. Nickle	$200 00
Miss M. Cook	117 50
Miss B. Miller	90 00
Miss E. Cleland	50 00
Miss M. Stringer	90 00
Miss J. Vey	80 00
Miss R. Reynolds	80 00
Miss E. Lamoreux	80 00

ESTEVAN R.A.F. FLYING SCHOOL

Mr. TRIPP:

1. What was the average number of men stationed at Estevan Royal Air Force service flying school during each month of 1943?
2. How much water was used at this school during the year 1943; at what cost, and was there any shortage?
3. How much electricity was used at this school during the year 1943, and at what cost?
4. How much coal was used during 1943, and at what cost?

Mr. MACMILLAN:

1. The average number of men stationed at No. 38 S.F.T.S., Estevan, during each month of 1943, was as follows:—

	Officers	Airmen	Total
January	99	1,165	1,264
February	95	1,158	1,253
March	96	1,176	1,272
April	99	1,199	1,298
May	97	1,172	1,269
June	96	1,110	1,206
July	95	1,094	1,189
August	111	1,089	1,200
September	126	1,082	1,208
October	129	1,070	1,199
November	129	1,067	1,196
December	124	1,083	1,207

2. 32,867,870 gallons of water were used at the school during the year 1943 at a cost of $5,916.23 and there was no water shortage during the year.
3. The consumption of electrical energy during the year was 1,340,671 k.w.h., at a cost of $21,708.90.
4. Estevan, 8,692 tons coal, cost, $33,546.25; R. I. Outram, 335 tons coal, cost $1,457.75. Total, 9,027 tons coal, cost $35,004.

REGIONAL OIL CONTROLLER—VANCOUVER

Mr. SINCLAIR:

1. Who is the regional oil controller in Vancouver?
2. What salary is he paid?
3. On whose recommendation was he appointed?
4. What previous experience had he, (a) in the oil business; (b) in any capacity which entailed serving the public in a tactful and courteous manner?

Mr. CHEVRIER:

1. Major Phillip A. Curry.
2. $5,000 per annum.
3. Appointed by order in council P.C. 26/1038, February 9, 1942, on the recommendation of the oil controller, The Deputy Minister and the Minister of Munitions and Supply.
4. (a) None; (b) Major Curry's business experience is as follows: 1907-1910, White Star Line, London, England; 1910-1914, White Star

Line, New York, U.S.A.; 1914-1916, the British army: (Wounded at Ypres and decorated with the Mons Star, British O.B.E., and the United States D.S.M.); 1917-1919, The British Ministry of Shipping, New York, U.S.A.; 1919-1938, the White Star Line, Montreal, P.Q. (general manager); 1938-1941, British Pacific Properties and First Narrows Bridge Co., Vancouver, B.C. (general manager); May to December, 1941, North American Life Assurance Co.

ALCOHOLIC LIQUORS

Mr. NICHOLSON:

What were the estimated quantities produced and consumed in Canada in the years 1933, 1939 and 1943 of, (a) spirits; (b) malt liquors; (c) beer; (d) wine?

Mr. MacKINNON (Edmonton West): Quantities of spirits, malt liquors and wines produced and consumed in Canada in the years 1933, 1939 and 1943:

	1933	1939	1943
Production—		(Fiscal years)	
(a) Spirits ..... proof gal.	4,345,834	9,642,830	19,657,698*
(b) Malt liquors ..... gal.	40,664,625	63,331,620	108,980,613
(c) Beer (included in malt liquors—separate data not available).			
	1933	1939	1943
(d) Wine—		(Calendar years)	
1. Produced during the year but placed in storage for maturing ..... gal.	1,920,587	3,998,232	4,352,403
2. Ferment wine bottled or sold in bulk..... gal.	2,718,530	3,424,668	4,612,892
	1933	1939	1943
Apparent consumption (estimated)—		(Fiscal years)	
(a) Spirits ..... proof gal.	1,497,669	3,433,664	4,903,023
(b) Malt liquors ..... gal.	40,814,971	63,302,752	97,610,326
(c) Beer (included in malt liquors—separate data not available).			
(d) Wine ..... gal.	3,148,191	3,461,867	4,627,567

* This includes industrial alcohol produced for war purposes.

PURCHASE OF PROPERTY IN PORTSMOUTH, ONT.

Mr. CARDIFF:

1. Has the government acquired the property known as Calderwood, at Union St., in the village of Portsmouth, Ontario?
2. If so, when, and what was the purchase price?
3. To whom is the property leased at the present time?
4. What is the period or term of the present lease?
5. Who is occupying the property at the present time?
6. What rent is being paid per month for this property?
7. Is this property suitable for government purposes?
8. If not, why?

Mr. FOURNIER (Hull):

1. Yes.

2. Property purchased in 1919 for $15,000.

3. 10·24 acres of property with building thereon leased to and occupied by W. Rupert Davies, remainder used by Department of Justice for quarry purposes in connection with penitentiary.

4. Five years from September 1, 1943.

5. Answered by No. 3.

6. $25 a month, lessee to pay all repairs and upkeep of property, as well as taxes and local improvements.

7 and 8. Property was purchased for military hospital purposes and used for approximately one year, after which it was occupied by the Department of National Defence until 1926. Since then the property has not been found suitable for any existing government purpose.

COLD STORAGE—KINGSTON

Mr. CARDIFF:

1. What is the total amount paid by the dominion government for cold storage purposes in the city of Kingston, Ontario?
2. To whom were these grants paid?
3. On what dates were they paid?

Mr. GARDINER:

1. $3,921.55.

2. Kingston Cold Storage, Kingston, Ontario.

3. August 29, 1940; June 26, 1941; August 24, 1942; October 4, 1943.

NATIONAL INCOME—PROFITS OF INCORPORATED COMPANIES, ETC.

Mr. MacINNIS:

For each of the years 1938 to 1943 inclusive, what was: 1. (a) national income at factor cost; (b) gross national product; (c) total of income payments to individuals?

2. (a) Total of income paid out in salaries and wages; (b) total of payments to men and women in the services, and whether same is included in 2 (a); (c) total net income of enterprises, (i) agricultural; (ii) other?

3. Total investment income?

4. Total profits of incorporated companies?

5. (a) Total of undistributed profits of said companies; (b) total of depreciation and other reserves of said companies?

Mr. MacKINNON (Edmonton West):

1. (a)

1938	$4,291,158,000
1939	4,553,662,000
1940	5,404,154,000
1941	6,500,000,000
1942	7,500,000,000
1943 (Estimated)	8,800,000,000

(b)

1938	$5,226,816,000
1939	5,498,997,000
1940	6,383,022,000
1941	7,585,919,000
1942	8,694,578,000
1943 (Estimated at)	10,140,000,000

(c)

1938	$4,133,618,000
1939	4,344,216,000
1940	4,944,284,000
1941	5,873,429,000
1942	7,090,068,000
1943	Unavailable

2. (a)

1938	$2,454,348,000
1939	2,604,519,000
1940	3,081,980,000
1941	3,812,884,000
1942	4,806,326,000
1943	Unavailable.

(b)

Pay and allowances, clothing, personal equipment and rations of armed forces serving in Canada. Fiscal year ended March 31, 1940; $50,120,000. Fiscal year ended March 31, 1941, $199,883,000. Fiscal year ended March 31, 1942, $306,480,000. Fiscal year ended March 31, 1943, unavailable. These computations are included in 2 (a).

[Mr. Gardiner.]

(c) Computation in course of revision.

3.

1938	$622,873,000
1939	644,939,000
1940	660,742,000
1941	749,929,000
1942	Unavailable
1943	Unavailable

4. Profits of 628 large incorporated companies as published in October-November number 1943, of statistical summary of the Bank of Canada:

1938	$268,700,000
1939	327,800,000
1940	337,000,000
1941	379,900,000
1942	379,400,000
1943	Unavailable

5. (a) Undistributed profits of said companies as published in October-November number 1943, of statistical summary of the Bank of Canada:

1938	$ 19,000,000
1939	88,000,000
1940	98,000,000
1941	141,000,000
1942	127,000,000

5. (b) Total of depreciation, deferred development and patent write-offs as published in October-November number 1943, of statistical summary of the Bank of Canada:

1938	$124,000,000
1939	135,000,000
1940	162,000,000
1941	206,000,000
1942	264,000,000
1943	Unavailable

METALS CONTROL—ALUMINUM

Mr. ROSS (St. Paul's):

1. How many permits or releases have been issued or granted by the metals controller, under "Order No. M.C. 44, Aluminum", for the use, delivery, transfer or sale of basic aluminum, or wrought aluminum, or aluminum products, between March 6, 1943, and January 31, 1944; and to whom were such permits and releases issued?

2. How many reports have been filed with the metals controller under the provisions of section 6 of Order No. M.C. 44?

Mr. CHEVRIER:

1. (a) Number of releases, 6,175; (b) Number of users, 642. It is not the policy of the Department to give names of citizens or firms to whom permits or releases have been issued.

2. 3,711.

FIFTH PAN-AMERICAN HIGHWAYS CONFERENCE—PERU

Mr. FRASER (Peterborough West):

1. Has Canada accepted the invitation of Peru to send representatives to the fifth Pan-American highways congress to be held July 15-25?

2. If so, who will represent Canada at this congress?

Mr. MACKENZIE KING:

1. To date no official invitation has been received.

2. Answered by No. 1.

JAPANESE NATIONALS IN BRITISH COLUMBIA—EMPLOYMENT IN FORESTS ON CROWN LANDS

Mr. ROSS (St. Paul's):

1. Does order in council P.C. 1422, dated 23rd day of February, 1943, override the authority of the statutes of the province of British Columbia?

2. Does the said order P.C. 1422 of 1943 authorize the employment of persons of Japanese origin in the forests on crown lands held in the right of the province of British Columbia?

3. If so, how many persons of Japanese origin have been so employed?

Mr. MARTIN:

1 and 2. Order in council P.C. 1422 provides: "From and after the date of this order and for the duration of the emergency created by the present war no statute of the province of British Columbia and no order in council made pursuant to any such statute or otherwise and no term or condition contained in any contract, lease, licence or concession or other instrument shall operate to disqualify or prohibit any person of Asiatic racial origin, wherever born, from employment in any capacity in the timber industry in the province of British Columbia and no one employing any such person in any such capacity in the timber industry in the said province shall, by reason of any provision in any such statute, order in council, contract, lease, licence, concession or other instrument, be subject to any penalty, forfeiture or other liability."

3. Approximately 1,200 persons of Japanese origin are employed in British Columbia woods operations on production of lumber, fuelwood, etc. The department has no means of knowing how many of these are working for employers carrying on operations on crown lands as distinct from privately-owned lands.

SELECTIVE SERVICE—FARM WORKERS

Mr. REID:

What steps have been taken by the Department of Labour to ensure a more effective application of the national selective service regulations designed to retain workers on the farm?

Mr. MARTIN: Changes have been made in both the civilian and mobilization regulations for making more effective the policy of stabilizing employment in agriculture and steps have been taken to ensure improvement in the administration of this policy.

The original national selective service civilian regulations (order in council P.C. 7595, August 28, 1942), permitted men from farms to work outside of agriculture for not more than 30 consecutive days without securing a permit from an employment and selective service office. This meant that a farmer could accept non-agricultural employment for several periods during the year not exceeding thirty days each without having to obtain a permit.

An improvement in this regulation was effected in the amendment to the national selective service civilian regulations (order in council P.C. 246, January 19, 1943). This amendment dropped the 30 consecutive day provision and replaced it with a clause, stating that farm workers could not accept employment outside of agriculture without securing a permit if that employment were taken in an urban centre of over 5,000 population. They were allowed to take employment outside of agriculture for 60 days in a calendar year without obtaining a permit when such employment was not in an urban centre of over 5,000 population, but only at such periods when they could be spared from the farms.

Several circulars have gone out to employment offices emphasizing the necessity for keeping men on the farms, containing specific instructions that regulations designed to accomplish this were to be rigidly enforced.

In the spring of 1943 men with practical experience and training in agriculture were appointed as agricultural employment advisers in the different regions. One of their jobs is to keep the local employment offices constantly informed of farm labour requirements and to see that regulations governing employment in agriculture are fully understood and effectively carried out by the local offices.

When the national selective service policy was introduced in March, 1942, an important change was made in the mobilization regulations so that these regulations would conform to the general policy of retaining essential man power on farms. This change included a special provision for the postponement of military training for farm workers, as distinct from the method to be used in granting postponements for men in all other industries.

Reference has already been made in the house to the interpretative letter which was sent in February, 1943, by the director of national selective service to the chairmen of all the mobilization boards. This letter dealt exclusively with the problems of farm labour. The letter emphasized the shortage of labour

for the farms, the urgent need for retaining essential man power on the farms, and the special status of farm workers under the regulations. The including of a special provision for postponing farm workers followed by the letter to the boards has resulted in more favourable consideration by all boards of farmers' applications for postponements. The percentage of applications which are not granted is now very small.

All mobilization boards make use of information collected on a farm questionnaire for each man applying for a postponement. This information provides full details of the extent of his farming operations, and any special circumstances which may influence the decisions of the boards.

The mobilization boards are using to an increasing degree, provincial departments of agriculture field staffs and local committees for securing reports on the essentiality of farm workers who apply for postponement. This coordination was given an added impetus this past summer when meetings organized by the Department of Labour were held with the different mobilization boards and the interested provincial and regional selective service officials. The object of these meetings was to discuss all aspects of the farm labour problem with a view to determining where the farm labour organizations might be helpful to the boards and the boards might be helpful to the farm labour organizations, and to secure the most effective use of men postponed as essential agricultural workers. This has resulted in a considerable transfer of farm workers to other farms requiring help, when after investigation, of their applications for postponement, such men were not found to be needed on their own farms.

DOMINION-PROVINCIAL FARM LABOUR AGREEMENTS —LABOUR TRANSFERS

Mr. BLANCHETTE:

In the detailed arrangements developed for the large scale transfers of farm labour organized under the dominion-provincial farm labour programme, were any provisions included for, (a) the dominion and the province concerned paying medical and hospital expenses incidental to sickness or accident suffered by an individual as a direct result of his participation in the labour transfer; (b) refunding a portion of the railway fares of men who, having failed to obtain transportation warrants which would have enabled them to travel largely at government expense, paid their own way, and later made application to be reimbursed?

Mr. MARTIN: (a) In the dominion-provincial farm labour agreements a provision was included for defraying the costs by equal contributions of the province concerned and the dominion of medical and hospital expenses incidental to accidents suffered by workers specially recruited for employment on farms.

The provision was to apply to workers not normally employed in agriculture and where the accidents occurred as a direct result of their farm employment or while travelling to or from such employment.

This provision is being extended to pay the costs of medical and hospital expenses for certain cases of accidents or sickness incurred by men who participated in the organized farm labour excursions, even though such men were normally employed in agriculture. Such accidents or sickness must have occurred while the men were engaged in farm employment for which the labour transfer was organized, or while in transit to or from the place of employment. All cases were fully investigated by the province before recommending that the expenses should be paid. Requests for payments of medical or hospital expenses were made by the individuals concerned to the government of the province where they were employed.

(b) A number of applications for refunds have been received from men who claimed to have participated in an organized labour transfer, but paid their own transportation expenses when, through some misunderstanding or other reason, they failed to secure transportation warrants. Each application was considered on its own merit.

Wherever the circumstances showed a genuine misunderstanding of the procedure to secure a transportation warrant or other reasonable explanation, arrangements are being made for refunds to be paid. A few cases have been refused which showed an obvious disregard of the procedure or regulations governing the labour transfer.

MOBILIZATION ACT—FARM WORKERS

Mr. HENDERSON:

When farm workers apply for postponement of military training, what is done by the mobilization boards to satisfy themselves that such men are or are not essential to agriculture?

Mr. MARTIN: Questionnaire forms are sent to the man in order to ascertain his essentiality to agriculture. The registrar also uses the services of the provincial agricultural representatives and R.C.M.P. He also requests the advice of the representative of agriculture attached to the mobilization board.

FARM WORKERS IN ESSENTIAL INDUSTRIES

Mr. McIVOR:

In the recruiting campaign organized last fall to encourage farm workers to accept winter employment in other essential industries, what was done, (a) to prevent men leaving live stock and dairy farms where they were needed during the winter; (b) to ensure that all farm workers would return to agriculture in time for spring work?

Mr. MARTIN: (a) In the campaign conducted last fall to encourage farm workers who could leave the farms for the winter, to accept employment in other essential industries specific steps were taken to see that only those left who could be spared. This recruiting was carried out in cooperation with provincial agricultural fieldmen and local committees. Local employment and selective service offices were asked to clear with these provincial people as to whether farm workers for whom permits were being requested could be spared from their farms, before issuing these permits to work outside of agriculture.

We recognize that this procedure did not prevent some from leaving agriculture who should have remained, but during the past winter hundreds of farm workers who would like to have left the farms for the winter, were prevented because it was learned that they were needed on the farms the year round.

(b) All permits issued to farm workers recruited in the campaign were marked to expire April 1. It was agreed with the provinces that this date might be extended for those farm workers from areas where spring work might be backward owing to weather conditions. Regional superintendents have now been sent general instructions regarding the development of procedure in their respective regions for a systematic cancelling of these permits when men are needed back in agriculture. They have been asked to consult with provincial agricultural authorities as to the dates when men should be back in specific areas. Action will then be taken to cancel the permits of farm workers so that they will be released from their temporary employment to return to the farms on those dates. Definite instructions are being issued to local employment offices for a rigorous checking to see that farm workers are released on the dates when permits are cancelled. Provincial government representatives are being asked to advise when men return to agriculture in the areas from which they were recruited. This will act as a double check on men getting back to the farms.

PENSIONS AND NATIONAL HEALTH—WELFARE BRANCH, QUEBEC PROVINCE

Mr. GAUTHIER:

1. Since the 1st of November, 1941, how many persons have been appointed to the welfare branch of the Department of Pensions and National Health, in the province of Quebec to aid in the civil reestablishment of soldiers?

2. What are their names, place of residence and occupation?

3. Have they served, (a) in the war of 1914 to 1918; (b) in the present war?

Mr. MACKENZIE (Vancouver Centre):

1. Fifteen.

2 and 3:

Name—Address—Occupation—War Service

Desjardins, L. H., 1010 St. James W., Montreal, Que., Veterans' Welfare Officer, grade 3, 1914-1918.

Bell, H. M., 205 Gohier, Montreal, Que., Veterans' Welfare Officer, grade 3, 1914-1918.

Bourgault, J. A., St. Louis de Bonsecours, Que., Veterans' Welfare Officer, grade 2, 1914-1918.

Brown, J., 3469 Hutchinson, Montreal, Que., Clerk, grade 4, 1914-1918 and present war.

Driscoll, W. S., 3564 Hutchinson, Montreal, Que., Clerk, grade 3, 1914-1918.

Verdon, R., 21 Dufferin, Granby, Que., Clerk, grade 3, present war.

Bourque, R. L. J., 2 St. Marguerite Rd., Montreal, Que., Clerk, grade 2, present war.

Haig, D., Philipsburg, Que., Clerk, grade 2, present war.

Klein, Miss E., 5214 Hutchinson, Montreal, Que., Stenographer, grade 2.

Moquin, Miss H., 3464 St. Denis, Montreal, Que., Typist, grade 2.

Lebeau, Mrs. J. A., 7651 Lasalle Blvd., Lasalle, Que., Typist, grade 2.

Poirier, Miss G., 3298 Verdun Ave., Verdun, Que., Stenographer, grade 2.

Ferland, L., 12407 Notre Dame des Anges, Cartierville, Que., Veterans' Welfare Officer, grade 1, 1914-1918.

Guay, Miss R., 99 Bourlamaque, Quebec, Que., Stenographer, grade 2.

Piegay, Miss J., 44 Marguerite Bourgeois Ave., Quebec, Que., Stenographer, grade 2.

*ROSARIO MESSIER

Mr. LECLERC:

1. Is Mr. Rosario Messier an employee of the dominion government in Ottawa?

2. If so, what are his duties?

Mr. McLARTY:

1. No.

2. Answered by No. 1.

QUESTIONS PASSED AS ORDERS FOR RETURNS

NAVAL SERVICES—OFFICERS

Mr. GILLIS:

1. What is the present total number of permanent force naval officers in the Canadian navy?
2. What is the present total number of permanent force naval officers in the Canadian navy of the rank or lieutenant or over?
3. What percentage of the latter (2) have gone to sea in the present war for a period of six months or more?
4. What is the present total number of reserve naval officers in the Canadian navy of the rank of lieutenant or over?
5. What percentage of such officers have gone to sea in the present war for a period of six months or more?
6. What percentage of the total permanent naval officers have been decorated or cited?
7. What percentage of the total reserve officers have been decorated or cited?
8. Why is the outward distinction between permanent and reserve naval officers preserved?
9. What proportion of the total enlisted navy personnel are regularly at sea?

Mr. MACDONALD (Kingston City): Return tabled.

POSTER "COAL FIGHTS FOR CANADA"

Mr. BENCE:

1. How many copies of the poster "Coal Fights for Canada", issued by the Department of Labour, have been printed?
2. How many of such posters have been distributed?
3. What is the size of such poster?
4. How many photographs were used in the making up of such posters?
5. What was the total cost incurred in the preparation of the said poster?
6. What is the purpose of such poster?

DOMESTIC FUEL—IMPORTS AND SUBSIDIES

Mr. CASTLEDEN:

1. What was the total tonnage of domestic fuel imported from, (a) United States; (b) Great Britain, to Quebec and Ontario during 1942 and 1943?
2. What was the total amount paid in federal subsidies to the importers of domestic fuel from, (a) United States; (b) Great Britain, to Quebec and Ontario during each of the years 1942 and 1943?

DOMESTIC FUEL—PRICES, WAGES, ETC.

Mr. CASTLEDEN:

1. What was the total tonnage of production of domestic fuel in Nova Scotia, Saskatchewan and Alberta, during each of the years 1942 and 1943?
2. What was the total production subsidy paid on this domestic fuel during each of these years?
3. What per day wage increases were granted to coal miners in each of these provinces during 1942 and 1943?

4. What is the average man-day production in each of these provinces?
5. What increases in retail prices of domestic coal were permitted in Nova Scotia, Quebec, Ontario, Manitoba, Saskatchewan and Alberta during each of the years 1942 and 1943?
6. What is the retail price per ton of each type of domestic coal in Halifax, Montreal, Toronto, Hamilton, Fort William, Winnipeg, Regina, Moose Jaw, Saskatoon, Yorkton, Calgary, Edmonton, as at February 29, 1944?

IMMIGRATION

REFERENCE TO ANSWER TO QUESTION ON FEBRUARY 11

On the orders of the day:

Mr. FREDERIC DORION (Charlevoix-Saguenay): I should like to direct a question to the Minister of Mines and Resources. On January 27 I asked the government a question, recorded in *Votes and Proceedings* of that day, which reads as follows:

How many immigrants entered Canada in each of the years 1940, 1941, 1942 and 1943?

An answer was given on February 11. I quote from *Hansard*, page 370.

Calendar year	Number
1940	11,324
1941	9,329
1942	7,576
1943	8,504

That is a total of 36,733. A few days ago I received the annual report of the Department of Mines and Resources. I see at page 177 some figures which are not in accordance with the ones given to me in answer to my question. The figures mentioned in this annual report as regards the number of immigrants who entered Canada during the same years are as follows:

1940	16,205
1941	11,496
1942	8,865
1943	7,445

That makes a total of 44,011; that is to say, a difference of 7,278. I should like to know which of these figures is the correct one and if necessary the figures in *Hansard* of February 11 should be corrected.

[*Later*]

Mr. CRERAR: As a matter of fact both the statements to which the hon. member refers were correct. His question was based on the calendar years and the answer was given accordingly. The departmental report deals with the fiscal years, from April 1 to March 31, and the figures disclosed there did not coincide with the basis upon which his question was framed. I simply wish to make this explanation for the information of the hon. gentleman.

WHEAT

AMENDMENT OF REGULATIONS RESPECTING DELIVERY QUOTAS

On the orders of the day:

Mr. T. F. DONNELLY (Wood Mountain): Some time ago the Minister of Trade and Commerce announced in the house that he expected to increase the quota for western wheat to eighteen bushels to the acre. When does he expect to do it?

Hon. J. A. MacKINNON (Minister of Trade and Commerce): Before coming into the house I received word that the raising of the quota from fourteen to eighteen bushels is going into effect as from to-day. That does not mean that the quota will be raised from fourteen to eighteen bushels at all points, but at those points where it is possible to raise it.

Mr. CASTLEDEN: Will cars be made available for taking out the fourteen-bushel quota before the moving of this new seventeen-bushel quota?

Mr. MacKINNON (Edmonton West): The matter of handling grain quotas is being dealt with from the point of view of the needs of the individual community. I cannot answer yes or no to this question, but cars are handled on the basis of placing them at those points where it is impossible to deliver the established quota.

LABOUR CONDITIONS

UNEMPLOYMENT IN ALBERTA COAL MINING AREAS

On the orders of the day:

Mr. C. E. JOHNSTON (Bow River): Last Tuesday I raised a question in regard to the unemployment situation in the west. Would the minister care to reply to-day?

Hon. HUMPHREY MITCHELL (Minister of Labour): I can do that. My hon. friend will appreciate that the time ran out at eleven o'clock when the hon. member for Macleod (Mr. Hansell) concluded his statement. The situation with regard to the coal industry in the west was brought to the attention of the house. It is quite true that we have had a difficult problem in the west, brought about largely by the unusual weather conditions prevailing on the prairies this past winter. I think that might be said generally throughout the country. I have a vivid recollection of the hon. member for Bow River rising in his place last session and saying that we had no organization to meet a possible shortage of fuel in the west this winter. In the light of what has taken place, I think it can be said that we were not only prepared but overprepared, having regard to weather conditions, to meet the fuel situation in western and eastern Canada this year.

Mr. JOHNSTON (Bow River): Providence helped you out that time.

Mr. MITCHELL: I will give Providence some credit but not my hon. friend. In June of last year an emergency existed in the production of an adequate supply of fuel and the government found it necessary to pass new regulations in an effort to direct back to employment in coal mining experienced miners who had taken up employment in other industries. Our efforts in that direction were largely successful. We arranged for the return to the mines of practically every experienced coal miner fit for such employment. We also had the full cooperation of the Department of National Defence in granting leave to ex-coal miners so that they could assist in the emergency. We planned on the basis of an average winter on the prairies and elsewhere, and the mild weather conditions prevailing during the past several months have changed completely the usual fuel requirements, especially the requirements for domestic fuel.

During the past several weeks a number of operators in the domestic fields have laid off men when they no longer had orders for their coal.

My hon. friends will understand why much of that coal, particularly Alberta coal, cannot be piled. It deteriorates, falls to pieces. It is not like Nova Scotia coal.

Mr. MacNICOL: It disintegrates.

Mr. JOHNSTON (Bow River): It is good coal.

Mr. MITCHELL: May I say to my hon. friend that he will need more than Providence when he comes to put some of his monetary theories into operation.

An hon. MEMBER: It is taking a long time.

Mr. MITCHELL: Exactly. Recently representatives of the fuel controller and national selective service met in Calgary in order to try to find a solution to the very real problems arising out of the reduced production of domestic fuel in Alberta. We are attempting, in so far as possible, to transfer men from the domestic fields to the bituminous fields, but the movement in that direction has not yet been large, because there is also a falling-off in the man-power requirements of the bituminous coal operators.

A limited number of the soldier miners will be returning to their army units. Very shortly a considerable number of men ordinarily engaged in agriculture, but temporarily employed in coal mining, will be returning to the farms. That is the normal shift from agriculture to coal mining in western Canada. Each of these factors will have their influence on alleviating the difficulties being encountered at present, but probably these steps alone will not be sufficient to solve the entire problem.

The member for Bow River was apparently given to understand that men receiving only part-time employment are not permitted to seek other employment. That information is not correct. Through our regional superintendent at Winnipeg we issued instructions, some weeks ago, which had the effect of relaxing the freeze of employment in coal mining in the domestic coal fields. Local selective service offices in the areas affected have been instructed that, on request of an applicant who is not receiving at least four days' work per week and for whom there is not a vacancy in the bituminous fields, a permit may be granted to enter other high priority employment. I can assure you, Mr. Speaker, that we do not propose to freeze a man in employment in coal mining if he is not getting at least four days' work each week.

It was pointed out that we are importing coal from the United States into eastern Canada. That is quite so, and I would say that there are real and practical difficulties in the matter of making western coal available for consumption in the east. The principal difficulty is, of course, transportation. Our transportation facilities are now heavily taxed. I assure my hon. friend that we realize the seriousness of the present situation and that we are taking every possible step to relieve the situation as quickly as possible. It should be understood that transfers of men from one place of employment to another, perhaps a considerable distance away, does require some time. There are special difficulties involved in attempting to effect transfers of married persons with dependents. I should like to say also that care must be taken to assure that there is not too great a dispersal of miners from the area in question. We must bear in mind that we must produce coal for the winter of 1944-45. It may be that we shall not be as lucky next winter so far as weather is concerned.

Mr. HANSON (York-Sunbury): May I call the minister's attention to one fact arising out of the use of miners in this way? Under the regulations of the Department of National Defence a soldier released for mining duty is, I am informed, obliged to report at the end of a certain period, say six months, to be boarded again, if that is the right expression. It takes two months to get him boarded in and boarded back, and in the meantime his production is lost. That is the experience in the Minto area. Will the minister look into that?

Mr. BLACKMORE: May I ask the minister a supplementary question? As he read rather rapidly I am not sure I followed what he said. I gathered that he conveyed to the house the information that any miner who was not able to receive at least four days' work per week in the mines would be granted permission to take employment in some other high priority industry. Suppose he had not the opportunity to take employment in a high priority industry, but had an opportunity to take employment in another kind of industry, what would be the position?

Mr. MITCHELL: That would depend on the conditions in the particular locality to which the miner wanted to move. I would say that as soon as the snow goes away in Alberta one of the highest priority industries will be farming. There has always been a swing from coal mining to farming in the spring months, and I assume a large number of these men who normally go into the mines in the winter will go on the farms in the summer season.

INDUSTRIAL DEVELOPMENT BANK

PROVISION OF ADDITIONAL CREDIT FACILITIES FOR FIXED AND WORKING CAPITAL

Mr. D. C. ABBOTT (Parliamentary Assistant to the Minister of Finance) moved the second reading of bill No. 7, to incorporate the Industrial Development bank.

He said: Mr. Speaker, I regret, and I am sure the house regrets, that the Minister of Finance is not able to be here on the second reading of this important bill. He has to be in Washington this week, and is not in Florida, as reported in certain newspapers. The government is anxious that this bill should receive second reading and be sent to the banking and commerce committee as soon as possible.

As I said on the first reading, the introduction of this bill to provide for the establishment of an industrial development bank represents one part of the government's programme to prepare the way for a high level of employment and income after the war. In considering the present bill I

hope that hon. members will keep in mind that in due course the government will be proposing other measures designed to provide financial assistance in other fields of activity such as agriculture and housing.

If we are to maintain employment and income after the war we must envisage a high level of industrial activity in Canada, employing many of those now engaged in war work or in the armed services. That objective will require considerable industrial development. There are war factories now turning out material for the destruction of the enemy to be converted to peacetime uses. There are existing plants producing civilian goods to be modernized and expanded to meet the demands which will exist for their products after the war. There are new industrial facilities to be provided to utilize the new products and techniques which have been developed during the war.

This industrial development must be financed. Undoubtedly the cash resources of industry, including refundable taxes, have risen in recent years and will be used to finance part of the expenditures I have just mentioned. But industry's own resources may be far short of the total amount of financing required. It is therefore in the national interest to ensure that such additional financing as may be necessary and desirable will be available to industrial enterprises.

A brief review of existing facilities to provide credit for Canadian industry will, I think, serve to show that in certain respects these facilities do not provide and cannot reasonably be expected to provide all the industrial financing which will be necessary in post-war years.

The chartered banks are one source of credit for industrial enterprises. But since the liabilities of these banks are mostly in the form of deposits withdrawable on demand or short notice, it has always been thought desirable that they should keep their assets in rather liquid form—easily realizable in case of need. The wisdom of following this policy has been amply demonstrated in the past by the experience of other countries which have pursued a different course. For the reason I have just mentioned, the chartered banks for the most part have made short term loans to industry—loans which in the ordinary course of business can be paid off in full at least once a year. Accordingly, they have been most important as a source of working capital for industry rather than as suppliers of long term funds which might only be repaid over a period of several years. This appears to be a sound policy and the government would not expect the chartered banks to embark on a large-scale programme of medium and long term credit to industry.

Industrial enterprises requiring funds which might not be appropriately provided by banks are at present pretty much dependent on the investment market. In other words they must seek to make a public issue of bonds or stock. The availability of funds from this source is subject to a number of limitations. The name and financial record of the issuer must be such as to attract the investing public. The amount of money required must be sufficient to justify the overhead expense of making any public issue of securities. Finally, the attitude of the public towards securities already on the market must indicate that a new issue would get a favourable reception. Small business is particularly affected by such limitations.

If an industrial enterprise requires financial assistance for more than a year or thereabouts and a public issue of security is not feasible for one or more of the reasons I have mentioned—then there is a good chance as things stand now that it will have considerable difficulty in raising money although the project itself may be basically sound. It is to fill this gap in our financial structure and to ensure that adequate financing is forthcoming for desirable projects that the government proposes to establish the Industrial Development Bank.

As to the bill itself, it is proposed that the bank will be a subsidiary corporation of the Bank of Canada having a board of fifteen directors composed of the members of the board of directors and the assistant deputy governor of the Bank of Canada, with the governor of the Bank of Canada as president. The capital stock of the bank is to be $25 millions all to be subscribed by the Bank of Canada, with $10 millions or more to be paid-up at the time this act comes into effect. In addition, the bank will be empowered to borrow up to three times the amount of its paid-up capital stock and reserve fund, by the issue of bonds and debentures, thus providing the bank with total resources of $100 millions.

I would draw the attention of hon. members to the fact that bonds and debentures issued by the bank will not be guaranteed by the government of Canada. They will, however, be made an eligible investment for the Bank of Canada and in view of the protection afforded by the substantial proportion of capital stock, it is anticipated that they will be marketable elsewhere as well.

The object of this bill being to provide financial resources for industrial enterprises, the bank will be given power to make or

guarantee loans to such businesses and to acquire their stock, bonds or debentures either by underwriting or purchasing direct from the issuing corporation. For the purposes of the bill an industrial enterprise has been defined as a business carrying on the manufacture, processing or refrigeration of any goods, wares and merchandise or the building of ships or vessels or the generating or distributing of electricity. The bank will be given power to lend to both new and existing industrial enterprises. To facilitate its operations the bank will be given broad general powers to take and, if necessary, realize upon any collateral security, including real property, in much the same manner as is provided by the Bank Act for other banks in Canada.

I want to make it clear that this bank is intended to supplement the activities of existing lending agencies rather than to displace them. If the credit requirements of a business are of such a nature that they can be obtained from a chartered bank or in the investment market, well and good. On the other hand, if such sources are not available then the industrial development bank will consider applications to assist projects which appear to be economically sound. The industrial development bank is not being set up to finance enterprises which are obviously doomed to end in failure. It would not be in the public interest to subsidize uneconomic activities in this concealed manner. On the other hand if the industrial development bank is to fill the gap I have described, it must operate on the assumption that there will be on the average a relatively high level of economic activity. It should decide whether or not a borrower is credit-worthy against such a background. If it appears likely that he will be successful under such conditions then he should be regarded as an eligible applicant for assistance.

The government believes that the existence of the industrial development bank will be of particular value to small business which has laboured under a certain handicap in obtaining medium and long term capital. These small industrial establishments are an essential part of our economy, an important source of employment and production, one which we must not overlook when planning to maintain a high level of employment and income in this country after the war.

As I stated at the outset, Mr. Speaker, the government is anxious that this bill should be given second reading and referred to the banking and commerce committee at as early a day as possible. I understand that the official opposition would like a little further opportunity to consider the provisions of the bill and the terms of the statement I have made to-day. If that is so, there would be no objection to the debate being adjourned until some time early next week, if that meets the wishes of the house.

Hon. R. B. HANSON (York-Sunbury): Mr. Speaker, the bill now under review is of more than ordinary significance and importance. I submitted to my hon. friend, and I now submit to the house and the country, that it is a radical departure from accepted government policy in this country for the government to enter the field of private enterprise, and that time should be given for further study of the bill. In support of that suggestion may I remind you that first reading was given only a day or two ago; I saw the bill for the first time on Tuesday; then yesterday intervened, and we are asked to give it second reading now. The request for some further time for consideration and study, I am glad to learn, meets with the approval of the hon. gentleman who is sponsoring the bill, and after a brief period I propose to move that the debate be adjourned, which I hope will meet with the approval of the house as I understand it now has the approval of the government.

There are one or two observations, however, which I desire to make, to direct the attention of hon. members to one or two provisions of the bill. In the first place I would point out that the bill is limited to aid to industry, and to industry alone. I had rather formed the opinion that there was enough risk money available in this country for post-war industrial development, if given proper encouragement by the government of the day through some let-up in taxation. That is the first observation I want to make. The second is this: if the government is seeking to increase the national income by expenditures and ventures of this kind, it should have a larger scope. Something has to be done for the farmer, and this measure falls far short in that regard. I throw out that suggestion to the membership of this house.

Mr. ABBOTT: I mentioned at the outset that consideration was being given to a similar measure for agriculture.

Mr. HANSON (York-Sunbury): Well, it is not in this bill; that is all I have to say on that point. The next observation I have to make is in reference to the statement of the hon member for St. Antoine (Mr. Abbott) that this proposal is supplementary to existing lending agencies, and he mentioned banks

and investment houses. I suggest, however, that he failed to make out a case against the adequacy of the facilities of the existing lending agencies, which is a subject matter I think this house might very well explore. All you have to do is look at the monthly statements of the chartered banks to understand what an immense amount of money is at present available for the extension of business if the opportunity offers.

The last observation I desire to make for the purpose of directing attention to matters which should be studied in connection with this bill—because I think it should be approached from the point of view of what is in the best interests of the country, and having in view the future of Canada—is that it is alleged that it holds out a hope for small industries. Having regard to the attitude of the Bank of Canada in days gone by, and the mentality and policies behind that bank, I am afraid there is not much hope in this bill for small industry.

I move the adjournment of the debate.

Motion agreed to and debate adjourned.

WAR APPROPRIATION BILL

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

The house resumed from Tuesday, February 29, consideration in committee of a resolution to grant to His Majesty certain sums of money for the carrying out of measures consequent upon the existence of a state of war—Mr. Ilsley—Mr. Bradette in the chair.

DEPARTMENT OF NATIONAL DEFENCE FOR AIR

Hon. C. G. POWER (Minister of National Defence for Air): Mr. Chairman, when I addressed the committee on Tuesday I had completed a portion of my remarks but had not given all the information to which I think hon. members are entitled. I had given a review of the operations of the Royal Canadian Air Force during the past year. I should like now to take some of the time of the committee to develop our plans for the future, and, following a custom which seems to have met with favour, to give an account of what might be described as headaches which confront us in dealing with matters intimately connected with the Royal Canadian Air Force.

I propose to deal to-day with the questions of repatriation and demobilization, and, without entering upon the sphere of rehabilitation —which I hope to show is not within the jurisdiction of the defence departments—to give some idea of the plans and blueprints we have in mind, while at the same time explaining to the committee some of the difficulties we must make up our minds to meet. If I may, I would ask hon. members to consider these difficulties and blueprints and to criticize them as freely as they may desire. I shall welcome any criticism, however destructive it may be to the ideas I set forth.

Let us define the terms I purpose using. First, repatriation: To my mind repatriation means bringing a man back to his home, either from overseas or from some other point in Canada, and putting him in the location from which he enlisted, or where he desires to be. That in itself constitutes a serious problem, and, as I shall presently show, one which is particularly serious for the R.C.A.F.

The next term is demobilization. Taken broadly I suppose that term would mean the dispersing of the armed forces into their civilian components or constituents. But actually it means more than that. It means more than the disbanding of the units. It involves personal demobilization; and that is particularly true in Canada, where, as I have often pointed out, our men before joining the forces were in civilian life, and in the vast majority of instances they will return to civilian life.

On top of this comes the problem of predemobilization education, which on a former occasion was explained to the house by my colleague the Minister of National Defence (Mr. Ralston). When we use that term we are referring to such education and training as we can give members of the armed forces while they are still under our jurisdiction, and before they are discharged into civilian life.

Finally comes rehabilitation, the problem of putting the former civilian who has served as a soldier back into a position where he may take his part in the civilian life of our country.

These are the problems with which we have to deal, and, following what was said by my colleague the Minister of National Defence, I propose immediately to state that the last named, rehabilitation, is not a matter which should be undertaken by the armed services or by the departments which look after the armed services. These are matters which have been discussed before. They were considered after the last war by various committees and by the house. I refer back to the pension committee of 1917. I have not the names of all the members who served on that committee, but among them were such men as Hon. Doctor Beland, Lord Bennett and Hon. Charles Marcil, outstanding men of that day, each of whom had to do with first framing the policy dealing with returning soldiers.

At that time there was conflict between what might be called the military or service mentality, and the civilian mentality. This conflict arose largely out of the question of the medical treatment of soldiers, but was found in some degree through the whole programme.

The report of the committee is too long to read in full, but if hon. members are interested in this phase of the matter I commend to their attention the report of the pension committee of 1917, at page 466 of volume XIII. There is the military point of view, but I believe in what I shall read will be found sufficient of the alternative or civilian proposals to permit the committee to understand what was being discussed. This is what we find:

In dealing with the question of the enlisted soldier, the end immediately in view must be borne in mind. All agencies brought to bear upon the citizen recruit have but one object, namely, ultimately to place a trained, disciplined fighting man on the firing line. It is therefore unquestionably admitted that the preparation of the soldier for active service should be in the hands of experienced military men.

When, however, the citizen soldier has become unfitted for further military service, or when the need no longer exists, it is desirable that he be returned to civil life with the least possible friction or delay. His goal now is a normal civil life, and all measures taken on his behalf should be with the purpose of making him once again a producer and a self-supporting citizen. It is, therefore, reasonable to assume that his restoration to civilian status is an undertaking likely to be best accomplished under civilian guidance. That is to say, as men of military experience are judged most capable of making soldiers out of civilians, so men of civil experience may rightly be regarded as best adapted for remaking civilians out of returned soldiers.

Then they go on to deal with the civilian point of view in respect of wounded and disabled men in connection with the following matters:

Hospital care and treatment.
Functional restoration and artificial limbs.
Vocational training and reeducation.
Casualties' pay and allowances in Canada.
Soldiers' homes.
Cooperation with provincial employment bureaux.
Any relief or disablement fund which may be found necessary.

And in respect of fit men:

Cooperation with the military authorities, with provincial governments and other agencies upon all matters affecting their return to civil life.
Supervision of voluntary organizations of and on behalf of returned soldiers.

That was the civilian point of view. The report continues:

Your committee, unable to reconcile these two divergent views in such a manner as to secure agreeent, is reluctantly compelled to leave the question of the control of the agencies for the care and treatment of returned soldiers without a recommendation on its part, having endeavoured in the previous paragraphs to state, with fairness to both contentions, the arguments in support of each view.

That report was made in July, and in February, 1918, the government set up the Department of Soldiers' Civil Reestablishment to do the specific things that were laid down here as the things to be presented from the civil side of the argument. After that, veterans' affairs and soldier problems were dealt with by the Department of Soldiers' Civil Reestablishment.

It is easy for anyone to set out a theory and say that this can be done easily and rapidly. We hear the cliché that we should put our service machinery into reverse in order to solve our rehabilitation problems. It is easy to say, for instance, that one could take the recruiting officers, the men who went into industry to get the men to be put in the army, and use them to put the men back into industry. It may be said that we could use the recruiting offices with their selection boards and trade test boards for the purpose of selecting and trade testing men for a particular industry, and so on all down the line. This all looks well and I suppose it could be made the theme of an excellent speech. I realize that I may be subject to considerable criticism when I say that I do not think it will always work. It is quite possible that we may have to go beyond just simply putting our engines into reverse.

Then there is another cliché commonly used —that we should keep our men in the army until we find them jobs. I have no objection to that as a theory, but I fear that it will not work out in practice. For instance, I have been told that it would be a good idea to use the manning depot at Toronto, which is capable of taking care of from two to three thousand men. It is said that this depot could be used for the accommodation of young men attending Toronto university. They would be kept under our control until such time as they had finished their courses. Again I realize there may be a difference of opinion, but I suggest that this might not work out. You would have two or three thousand boys still in the air force. If they are still in the air force they would retain their uniforms. They would be drilled in order to justify their use of the uniform. After morning drill they would go up to Toronto university. The lowest man in the military heirarchy, the LAC, might be first in the class in law and he would be taking orders from his wing commander, who might be just barely getting by with his examinations.

Mr. HANSON (York-Sunbury): You think that there would be a lack of discipline?

Mr. GRAYDON: There is nothing especially unusual about that.

Mr. POWER: I am simply quoting the cliché that they should be kept in the army until jobs are found for them. As I say, in my opinion it would hardly work under those circumstances. If something else is meant; if it is meant that we should continue to give them the same pay, the same financial advantages or otherwise, as they would receive if they remained in the service, then that would be another question. I submit that that is a matter which has to be dealt with by the civilian agency which deals with the man and not by the military service agency. The point I am trying to make is that the service agencies are not the proper departments to look after the man in civil life, except to make such preparations for his future career in civilian life as can be made while he remains in the service while the war is on, or while demobilization is on—which may be a long period; or while the period of occupying Europe is on, or while the period of policing Europe is on, or while we are still at war with Japan, which may be long after the end of the war with Germany.

Some of my officers think that I am pigheaded when I cannot agree with the theory that the service should look after these men up until the time when they are fully established in civilian life. My recollection of the last war is that there was an eagerness, almost amounting to mutiny, to get out of the units as quickly as possible. I admit that in this war the mentality is different. I fully recognize that men are younger, that many of them never had any other job. They realize there is some security in the armed services where they get three meals a day. There is perhaps a different mentality in the boys of to-day than there was in those of twenty-five years ago, but when the incentive to drill in order to fight, when the incentive to undergo discipline in order to be better fighters to beat the enemy is gone, when they remain under those conditions for four, five or six months after hostilities have ceased, there is a possibility they will be bored to death and will no longer want to remain in their units.

Mr. GRAYDON: Will not a great deal depend upon the availability of jobs and other opportunities for these boys when they are ready to enter civilian life? If there are no opportunities available there would be an inducement for them to stay longer in the service. On the other hand, if there are opportunities available in civilian life the boys will want to get the best ones as quickly as possible.

Mr. POWER: I quite agree with my hon. friend. Whatever we have in the way of rehabilitation grants, in the way of service gratuities, or whatever we do in the way of finding them jobs, none of this will be any good if our national economy does not progress to the point where there will be opportunities for these men to work and earn a decent living.

Having perhaps lightly laid aside the responsibilities of the service with regard to rehabilitation, properly so-called, and again subject to any opposite viewpoints which may be expressed, I come now to matters under our jurisdiction.

Mr. GRAYDON: Are you and the pensions department in agreement on these matters?

Mr. POWER: I have explained how the Department of Soldiers' Civil Reestablishment was set up to deal with the rehabilitation of the returned soldier. The service has a responsibility in connection with repatriation. The civilians cannot do that; they cannot bring back our men. The service has a responsibility in connection with demobilization, and also in connection with the priorities of demobilization, as to both units and individuals. My colleague, the Minister of National Defence, has spoken of our plans and the set-up which in fact is working now. There shall be in each department a director of demobilization who will be charged with all the duties connected with repatriation and demobilization.

Mr. GRAYDON: That is in the three services?

Mr. POWER: Each service; there shall be one in each service. He will correlate his activities with those of the other services through a demobilization council of the three services. Then, in order to get in closer touch with the civilian agencies—because after all the services must know what plans are being made by the civilian agencies—there will be an interdepartmental board composed of representatives of the three services, representatives of the Department of Pensions and National Health, who are charged with the rehabilitation; representatives of the Department of Labour, which is charged with the actual placements; and representatives of the department of reconstruction when it comes to be constructed.

Now, in order to show the importance which in common with my colleagues I attach to the

quality of the person who must head up this demobilization—and I say right away that I have not found him yet, although I have had my eye on two or three likely ones—I should like to quote a letter which I have sent to the air officer commanding-in-chief overseas, Air-Marshal Breadner:

> I am looking for a man to head up a directorate of demobilization. He would not have a large staff. His job would be to coordinate all the work now going on along those lines in A.M.P. Division—

That is, the air member for personnel.

> —and elsewhere. His duties would be something like this: (a) to interview repatriated personnel and try to fit them into our organization here;

That is to say, when men are about to be repatriated from overseas and they desire to stay in the air force, to try to find what kind of jobs we shall have for them here.

> (b) to sit in with army and navy, with veterans' welfare department, Department of Labour, and with the new department of reconstruction; (c) he would do some organizing overseas; (d) to start pre-demobilization education, and he might be your representative on the new joint demobilization committee; (e) he would be charged with the explanation of rehabilitation proposals to R.C.A.F. personnel overseas and in Canada; (f) he would probably have to shuttle back and forth between here and the United Kingdom.
>
> His qualifications must be high. He must be an overseas man with actual fighting experience. He must have the imagination, organizing ability and possibly business experience. He must talk the overseas boys' language.
>
> This superman should be fairly high up, a wing commander or group captain, but if he measures up he deserves promotion anyway and he will get it. Give me the names of your recommendations.

I have had two or three recommendations. Unfortunately these lads who are recommended—I have had two or three in mind—almost invariably get a better job before I can lay my hands on them in actual operations, and they will not come back. One of them is now high up, connected with the tactical air force; another one was heading a squadron in England and has done marvellous work; he is now in charge of a wing in the proposed invasion. I am going to get a man sooner or later, but I do not want to take anybody to fill the job unless it is possible to get the very best.

This letter explains, as much as a speech would, just the type of man required, and I think the committee will agree with me that this is the type of man we want. It is proposed that he shall be directly under the minister and talk to the minister direct on all these matters. It is a matter of such importance that it becomes the minister's duty and responsibility to look after it himself.

[Mr. Power.]

In connection with that, there has been developed in the R.C.A.F., and to some extent in the army, plans for personnel counselling. I do not like the term; "personnel counselling" does not look like the kind of term I want to use, but I cannot find a better one.

Mr. GRAYDON: And it does not sound like your language, either.

Mr. POWER: Well, if I wanted to use high-flown language I could probably call him a "career consultant" or something of the kind.

Mr. GRAYDON: That is still less like you.

Mr. BRUCE: Better get a medical man for that job.

Mr. POWER: The intention—and we have a plan which is actually in operation—is to help R.C.A.F. men and women to help themselves. Our men and women are not the type who wish to become dependent on any paternalism; they want to stand on their own feet. The R.C.A.F. intends to provide them with information, advice and direction, so that they may be as self-reliant after the war as they have proved themselves to be in combat. We wish to sustain their confidence in us by letting them know that we are interested in them personally and intend to give them every assistance to make good on their own.

The plan is one of consultation and advice. In consultation with every man and woman in the air force, wherever located, advisers will provide facts upon which a career may be planned. Facts will be available on the interests, aptitudes and experience of the person, on the occupations for which he or she is suited, on the opportunities in those occupations, and on the assistance which can be provided right now for making progress toward a chosen objective. This is not job placement; it is career planning, so that those who take advantage of it may have something of value to offer, instead of being dependent on someone to give them a job.

Many of our airmen have endured the strains and hazards of a long tour of combat. Nothing will help them more to free themselves from the travail of war than a goal toward which they can plan and work. This goal we intend to provide.

The results of the R.C.A.F. plan of personnel selection have been reinterpreted in terms of civil occupations. This enables us to indicate to a man just where he stands, having regard to his ability, aptitudes and training, in relation to men already employed in various professions, occupations and trades. Thus in

choosing a career he can judge for himself the type of competition he will meet in various vocations.

Many employers have already been contacted, and representative professional, business and industrial groups have been consulted concerning the practical applications of the plan.

One group of consultants have already completed their training. These men and women have all had extensive service in the R.C.A.F., and were selected as having the necessary personal qualifications for this work. They are the vanguard of a larger group of officers who will spread out to R.C.A.F. units, both here and overseas, to aid men and women plan careers.

Educational and technical courses will be provided to suit the career plans. Thus any man or woman can utilize any available time in purposeful activity in keeping with his or her career plan. Many such courses are available; others will be added.

A record of consultation will be provided for each person which will give details concerning the planned career, as well as any progress the person makes while in the service.

Since this deals entirely with the personnel who are still in the service, it falls within the scope of R.C.A.F. responsibility. It is concerned with the welfare of personnel prior to their release to civil life, and hence does not encroach upon the activity of those government departments responsible for rehabilitation and occupational placement.

Mr. GRAYDON: Are the same privileges and opportunities to apply in equal measure to the army and the navy?

Mr. POWER: Oh, yes; I am quite sure they are. We hope that this service will enable R.C.A.F. personnel to take full advantage of the provisions already made for the purposes of demobilization and rehabilitation.

This looks like a good blueprint. I am not going to guarantee that it will always work. I am putting it forth as a plan and as a blueprint. It should work, if we can get the proper men to do the counselling or the advising or the consulting. But everything along these lines is dependent on the human factor. We might set to work now and during the demobilization period to train a boy to be a lawyer or a doctor. He falls in love with some girl, gets married and decides that he would rather live on his wife's relatives. Where are we then? We have wasted all our time and our money. But it is an attempt to assure these boys that at least we are going to try to do something for them.

All this is connected with pre-demobilization training. I am really putting the cart before the horse. Repatriation comes first, and in repatriation we have, as I think the committee will readily understand, a very special problem in the R.C.A.F.

First, it is in the character of our boys—which also applies to demobilization. They are young; a great many of them have never had any jobs; they have no real conception of what the struggle of life may be except from what they have learned in their homes; they have no real conception, from personal contacts, of the difficulties of making a living. Repatriation is our difficult point. As I have explained to the house on many occasions, many more of our boys are in R.A.F. squadrons than are in R.C.A.F. squadrons. We have to get our hands on them before we even think of bringing them home, and that is not so easy, particularly in the midst of operations. We must not interfere with the fellow on operations in order to get our hands on him so as to get him ready to come back to Canada when demobilization comes. We must to a certain extent make plans, though certain plans can be made which will be immediately helpful.

In correspondence with Sir Archibald Sinclair, the Secretary of State for Air in the United Kingdom, and in recent discussions with Captain Balfour, I have come to an agreement on the matter and, as I advised the house some time ago, as will be seen in *Hansard,* a joint committee of the R.A.F. and the R.C.A.F. has been set up. I did not advise the house at that time, however, of the terms of reference proposed by Canada, which have not yet been accepted, though I have reason to believe they will be. The terms are these:

(a) What methods and procedure should be followed in order to enable the Canadian government to proceed as rapidly and as efficiently as possible with R.C.A.F. repatriation and demobilization?

(b) What steps can be taken now, and generally during the period, which shall precede the termination of the war against Germany, to bring about a regrouping of R.C.A.F. personnel, so that Canadian demobilization priorities may be made effective at the earliest possible date without injury to the common war effort?

(c) What methods of procedure are to be followed so that R.C.A.F. personnel serving in R.A.F. units may have equal opportunity with R.C.A.F. personnel who are serving in Canada or in the R.C.A.F. personnel overseas, to take advantage of the Canadian government's plans for repatriation, demobilization and rehabilitation?

(d) What methods and procedure should be followed in order to give R.C.A.F. personnel attached to the R.A.F. the benefits of pre-demobilization training and instruction to fit such personnel for civil life in Canada while still attached to the R.A.F.?

We added:

The committee in their deliberation will be guided by the following principles:

(a) That there shall be no interference with the most effective prosecution of the war.

(b) That the highest consideration be given to ensuring to individual officers and airmen every possible opportunity for a successful post-war career.

(c) That the process of demobilization shall be such as will assist to the greatest extent possible the effective recovery of the domestic economy of each country.

In connection with that, a reciprocal arrangement was entered into with the R.A.F., whereby our boys attached to the R.A.F. would take advantage of such pre-demobilization training as the R.A.F. is giving, and we on the other hand would give their boys attached to the R.C.A.F. such pre-demobilization training and education as we give to our boys.

I can see that this may not always be appropriate or useful. For example, I can hardly conceive that the training in agricultural pursuits given to men intending to settle in Kent or Devonshire, say, would be useful to a Canadian who intends to settle on the prairies or the bushlands of Ontario. Such training would not be of much use to him in the career he expects to undertake in the wilder parts of Canada. However, the will is there, the agreement is there, and something is sure to be got out of it.

Having dealt as far as I can with repatriation, in order to give the committee some idea of the difficulties that confront us, let me deal with what really belongs to repatriation, the question of priorities on demobilization. That again should be divided into two parts, priorities by units or groups and priorities by individuals. Priorities by units would apply more readily to the army than to the air force. It is easy enough to say that the first division shall come back first, the second divisoin second, and so forth; but in the air force it is very much more difficult, since the men are so widely scattered. These matters have been and are being discussed, and on certain questions no definite decision has been reached.

On the question of priority there appeared to be two distinct problems: Should priority of discharge be given overseas personnel, and should a system of individual priorities be set up to apply to the service as a whole, with the locus of the individual concerned being only one factor out of many?

In considering the first of these questions, it is felt that priority of discharge should be given men serving overseas, but in view of the obstacles in the way of such a plan it is not always possible or feasible. The factors involved have been carefully reviewed and a number of them have been set out hereunder for consideration. I may say that this is a report of some of my officers on the subject. It is not a precedent, and I do not want it to create a precedent, whereby reports of officers are made public. But this is a matter in which the public is very widely interested. The public should be interested in the discussion as between different schools of thought before hard and fast rules are made of them, which will be so binding that it will be very difficult to retrace our steps. It is for that reason that I take the committee into my confidence and ask hon. members not to use this as a precedent against me if I say that I cannot produce a document inasmuch as it is a document from an officer of the department to the minister, made in confidence.

The reasons for priority of demobilization for personnel serving overseas are:

(a) Public opinion will undoubtedly clamour for preferential treatment for personnel serving overseas.

(b) Such personnel deserve priority on demobilization and in any plans for reestablishment which may be undertaken by the government or by industry.

(c) Since they have been separated from their families and generally have been unable to return on leave, they should be given the earliest possible opportunity of reunion.

(d) Since their lives and those of their families have been disturbed to a greater degree than is the case with personnel who serve in Canada only, it seems only fair that they be given the opportunity of returning to a normal civilian state. Pending the reorganization of the permanent forces after the war, certain installations and equipment in Canada must be manned and maintained by service personnel. This will have to be done in the first instance by personnel now discharged, but the troops overseas should be given the first opportunity of doing that work.

I come now to the reasons for demobilization of personnel as soon as available, which is the contrary view:

(a) Public opinion would be strongly against retaining longer than necessary men conscripted in Canada who have volunteered for overseas service.

(b) Personnel in excess of requirements would result in the following additional expense to the country:

Pay and allowances; gratuities or rehabilitation benefits which would increase with the length of service; amounts necessary for subsistence; medical care, et cetera; retention of buildings which should be released for civilian use.

The difficulty of maintaining the morale and discipline of these services in Canada is another matter to be considered. That would have to be considered if they had to wait demobilization of those serving overseas. And then man-power will be needed for civilian industry and there will be pressure from civilian industry to get at the nearest source of man-power. On the other hand it would be difficult to repatriate the personnel from overseas because it may be difficult to get transport. There would be the problem of shifting personnel from one theatre of war to another when we go toward the Japanese theatre and so on. It may cause innumerable difficulties in the supply of shipping. That is the general system. No matter what we do, we must aim at seeing to it that the man from overseas gets preferential treatment in demobilization and in repatriation, but always bearing in mind the fact that there may be difficulties in carrying out that principle as we have laid it down.

Then, with regard to individual priorities, there is a great diffierence of opinion. However, I believe two principles can be accepted by all. (a) No individual should be demobilized so long as his retention is essential to service requirements. (b) Personnel desiring delayed demobilization may be retained provided they can be usefully employed and fulfil certain conditions laid down. In connection with that there is, as hon. members know, the point system. The point system was elaborated by the central committee on post-war reconstruction set up by the Conservative and Unionist party in Great Britain in a pamphlet called "Looking Ahead". So far as I know, this point system has not as yet been definitely accepted by the armed services overseas; in fact there is a great deal of opposition to it. I shall quote from it:

> In their search for a solution to the many problems which arise from the definition of priorities, the committee has under review a scheme of "points" which is strongly recommended for favourable consideration.
>
> The scheme attaches a specified value to the presence or absence of certain factors influencing the individual case for demobilization. As an example of the working of the scheme, let us suppose it is decided that fifteen per cent of the personnel of a certain unit can be demobilized. The records offices, which would be given details not normally in their possession, would forward the names of those who had the highest "score" on some such basis as the following—

And here come the points:

> —so many points for service on or before certain dates, service overseas, steps of promotion, age group, marriage, number of children, employment immediately available, one-man business, demand for personnel in trade or profession, and interruption of education, with a subtraction of points for desirability of the man's retention in the services.
>
> To operate such a scheme there would have to be close liaison—

Then they go on to show where cooperation takes place. We have had a look at that in an endeavour to apply it to conditions here. Some of the officers have worked out a point system for the R.C.A.F., taking into consideration not all the points mentioned here, but such points as length of service, nature of service and dependent children. I may be boring the committee with all this, but somebody is going to put it on *Hansard* and it may as well be put there by me. I want the committee to know I am not laying this down as the law of the Medes and Persians. I am saying that these are plans which have been submitted in other parts of the world and are being considered by various departments.

Mr. GRAYDON: The committee will pay a great deal of attention to what the minister says.

Mr. POWER: I hope to get a lot of advice from the committee. It is recommended that value be given to the different factors as follows. We are taking only four of these factors: (a) length of service, one unit for each month of service; (b) age, one unit for each year of age; (c) nature of service (combat service), 25 units; (d) dependent children, five units for first child; ten units for more than one child. Attached is a table. I should like to lay it on the table.

Perhaps the committee will follow the details of one case. Let us take a married man, thirty-five years old, with two dependent children and two-year service. His score would be thirty-five for age, two-year service, one unit for each month, twenty-four; two children, ten units for more than one child, a total of sixty-nine. That is the priority score. Let us take a man thirty-five years old with two dependent children, two years overseas and combat service. You would add twenty-five points for combat service, and his score would be ninety-four. Let us take another example, a married man forty years old with three years' service and no dependent children. He would

have a score of forty for his age, plus thirty-six for his three-year service, giving him a total score of seventy-six. If the same man had combat service his score would be seventy-six plus twenty-five, or a total of a hundred and one. The scores have been worked out in a number of cases, and if the committee will permit me I shall table it.

Mr. COLDWELL: I thought the minister gave some points to a man who had a one-man business.

Mr. POWER: That is not the Conservative plan.

Mr. COLDWELL: You are not considering that?

Mr. POWER: My officers have worked it out only on the basis of four different factors. We might work it out on any number of factors. I brought this with me to show the committee how it would work. If the committee will permit me I shall give the views of the opponents of the point scheme.

Mr. JACKMAN: How long is the term of enlistment in the air force?

Mr. POWER: No term.

Mr. JACKMAN: They are in until they are discharged?

Mr. POWER: Yes.

Mr. JACKMAN: Not like the last war?

Mr. POWER: No.

There is some opposition which merits serious consideration before we embark on such a plan. The point system is considered unsatisfactory, (1) because it is complicated. Definitions are required for the factors involved. If we mention the factors involved in the Unionist system it will get more and more involved and more and more complicated. We shall need a lot of chartered accountants to add up the score before we get through.

Mr. GRAYDON: We are short of them now.

Mr. POWER: We are short of them now. (2) It is not altogether fair; 725,000 individuals could not be put into about a hundred priority groups without injustice being felt by a very great number. And in my opinion here is where it fails, unless we can find something to improve it. In the middle brackets many thousands of personnel would have about the same points, particularly if you take a large number of matters on which you can obtain a score. If you gave the long term people a sufficient number of points they would have an easy lead. You would get a number who would have about the same number of points and then the fighting would begin all over again as between the people in the middle brackets, but there is no provision for priorities among men with the same score. They would have to have pull with Laurier. (3) It discriminates against the veterans' guard and older soldiers, for whom accelerated demobilization would be harmful, in the main, because of special difficulties in rehabilitation, and against the younger personnel who have never had civilian employment, or who should complete his schooling without further delay. (4) It reduces speed in discharge, especially if discharge is to be delayed on account of vocational training and other rehabilitation measures. It is felt that the prime factor in demobilization is the successful employment of ex-service personnel. There would be a public outcry against keeping personnel in the services on pay and allowances if by earlier discharge they could get a job and become reestablished.

My own opinion is both points of view should be carefully examined, and I should like to hear from anyone who has any views on the subject. We know what we want to do, namely, to bring those who can be brought home as soon as possible after the hostilities are over. Then give them all the pre-demobilization training we can, in the most useful way, so as to do the individual the greatest amount of good in his future career. We have plans and blueprints to accomplish this, but, as I said, I will not guarantee that they will all be successful. We must be prepared—and I think this is something to which we should give the utmost consideration—for the immediate let-down, moral and mental, which will attack these boys. They will have been three or four years trained, taught and groomed to one objective, one purpose; and that purpose and objective will be gone. The enemy will have been defeated; they will have completely lost their orientation. Many of them never will have had any other orientation than fighting. An organized body of men solidly knit together to act for one common purpose in this war will, unless we are very careful, suddenly become a mob of individuals each seeking his own objective, if indeed he has any at the moment.

I do not want to be an alarmist, but with the history of developments after the last war imprinted in my mind I fear that we might have mutinies such as we had then. I fear the development of a state of mind which might colour and distort their whole future outlook, and we must try to develop

some new objective for them. As I said, if we discipline a body of men with a common purpose and objective, to defeat the enemy; then if we go to them and say that each individual will get so much in the way of dollars or so much in the way of treatment; if we develop their purely selfish instincts, the purely materialistic side, then we shall have a panic to see who will get first what is required, and the devil take the hindmost. In other words we cannot and should not promise each individual that everything he desires will be handed to him on a silver platter. Let there be a new order. It matters not what the new order is. It may be the new order of my hon. friends, on a socialistic pattern; it may be a new order on a free enterprise pattern; it may be a new order on the pattern of New Democracy or Social Credit, or it may be a combination of all three.

Mr. GRAYDON: Don't forget your own Bloc Populaire.

Mr. POWER: It may be on the order of the Bloc Populaire. I have no objection to the returning soldier becoming an adherent of any political creed; on the contrary I hope he will, for I want him to be thinking of the future of Canada. I want him to be thinking of the future along the lines of any one of the political parties represented in this house; for as long as he is thinking of the future of Canada he is doing what I think he should be doing rather than thinking of his own selfish and material interests. It is Canada he has to be working for when he comes back.

It is for this reason that, while I do not disagree with all this work in connection with demobilization and placing a value on each man's services, I think it has little to do with questions of repatriation, rehabilitation and so on. After all I am cynic enough, having been in the house for all these years, to know that he will pretty well get what he wants anyway, out of one political party or the other. If we teach him that he can only get what he wants by agitation, by thinking of himself and of his own interests, then we make a bad citizen of him.

I should like to try out on this committee some views on this subject which I have tried out elsewhere already, without any response whatever. We should explain to our men that the winning of the war was not the end of all things. I fear that after the last war most of us felt that this was the end, that this was what we had been struggling toward for three years, and that now the job was done. Let us tell our boys that the winning of the war was only the means to assure us and the world the right to continue unhampered and unimpeded in our peaceful pursuits, that it was only a means to an end, not the end itself. What is the greatest, the most pressing and most important pursuit we can have, if it is not to make our own country great; great in industry, great in agriculture, great in commerce, great in development, and great as a nation? During the course of the last war we were promised material things: "A land fit for heroes to live in," and "On your return Canada will be yours." I fear that we paid too much attention to those material things that were being promised to us and did not pay enough attention to the spiritual side of trying to become a good citizen, and I say that without casting any reflection at all upon those who returned from the last war.

Our boys must be given a new target, some task to look forward to, to soften the impact of the inevitable let-down; and that target must be attacked with all the ambition and all the patriotic fervour of their wartime activity. A great man promised victory in the war through blood, sweat and tears, and we can set another task; the making of Canada, through labour and perseverance and energy. Let the brawn and the brain and the courage of these thousands of young men be turned to the development of their own country, and no nation on God's green earth can equal us. Let us emphasize the spiritual side of the peace-time task at least as much as the material side. When these boys return to Canada this country will be theirs, but theirs to mould, to develop, to build and to make capable of fulfilling its great destiny as a nation. The true glamour of peace must be made to replace the transient glamour of war. We have told our boys what a noble and heroic thing it was to apply themselves to the science of war. Let us tell them what a noble thing it is to apply themselves to the arts of peace. We have taught them how to destroy; let us teach them how to build. They went forth to defend Canada; let them go forth to develop Canada. Let our boys understand that when the last gun has been fired and the last bomb dropped, their task will have only begun. Duties and responsibilities as heavy as those they now bear await them on their return; duties and responsibilities, and opportunities too, if we make them for them, limited only by the great extent of their country and by its vast potential resources, industrial, natural and commercial. They will have conquered a hard, bitter human enemy; they can and will conquer natural obstacles. Let them subjugate the land, exploit the waters and control the air of this country. They will not only have won a livelihood;

they will have served their country truly and well. Let them not believe for one instant that the end of the war is the end of all things for them. The great adventure of fighting, the hazard of dying for their country will be over, but the greatest adventure, the strenuous one of living for their country, will be only beginning.

Mr. ADAMSON: The truly excellent statement given by the minister last Tuesday and to-day should fill every member of this house and every Canadian with great pride. The minister mentioned "the effort of the Canadian people as a whole". The success of the air force in all its branches, right from the dull job of the radio mechanic through to that of the bomber pilot, has been due in part to the great spirit of the Canadian people, who know no bounds when they are aroused, and in part to the fact that as far as the air force goes we have yet to see the hand of politics. Unlike the army, an air force officer will seldom if ever tell you his politics. It is difficult to talk very long to an army officer before the subject of politics is discussed.

The staggering information the minister placed on record Tuesday night, showing that the Canadian air effort represented between twenty-two per cent and twenty-five per cent of the aircrew or of the total air effort of the joint British tactical air effort—

Mr. POWER: The hon. member should stick to his first expression—aircrew.

Mr. ADAMSON: Yes, aircrew—is, I say, remarkable.

Mr. MACDONALD (Brantford City): That is in Europe.

Mr. ADAMSON: Yes, that is in Europe. But it shows something more; it shows that Canada, with only 12,000,000 people, can produce in a short period of time an air force the equal of, if not superior to that of any other nation. The fact that our squadrons are used extensively on the very difficult job of pathfinding for the bomber squadrons, one requiring the highest degree of skill, shows the degree of technical excellence attained by Canadian aircrew.

The diversification of our air effort was emphasized by the minister. He referred to the radio mechanics, the personnel manning radio location stations, for the bomber command and the fighter command, the Atlantic patrol, the coastal command, the Atlantic air bases for the protection of our own sovereign air, and the bases for the protection of our Pacific coast. The vast variety in numbers and descriptions of our air effort has only begun to be appreciated, and I am glad that for the country's sake the minister has placed the statistics on record.

Our air effort imposes upon Canada a great responsibility, greater than many of us realize. It imposes, too, the responsibility of maintaining ourselves as a great peace-time air power. As the minister pointed out in his speech, as reported at page 1029 of *Hansard*, a post-war civil aviation committee has been set up. I shall not read the paragraph, but hon. members will find it at the point I have indicated.

Our air effort is a combined one. While we have forty-four squadrons of our own, yet the bulk of our effort is that which is combined with those of the British, Australian, and the other united nations who are operating against the common enemy. After the war is over, we cannot allow this effort to revert to a purely Canadian one. We shall have our responsibilities to help keep the air lanes of the world free and open. We have probably become, or shall be by the time the war is over, the third largest air power in the world. In point of geography we are located centrally, so far as future civil aviation is concerned. Yet we have attained our position only in conjunction and cooperation with the United Kingdom, Australia, New Zealand and the other nations of the commonwealth. Had we tried to run the show on our own, we might have met with some success, it would have been greatly reduced.

Our immediate responsibility is to see to it that, from the civilian point of view, our post-war air effort is mapped out in conjunction with the other nations of the commonwealth. We cannot afford not to cooperate with the United Kingdom to the fullest degree in peace time, as we are now doing in war time. If we fail to give this cooperation we shall be relegated to a place not third greatest among the air powers of the world, but to one comparable with our population, and standing away down the list of the world powers. Therefore our first responsibility, in the light of our great air effort in the war, is as I have stated.

The minister mentioned the ratio of casualties to decorations. It is interesting to note that one decoration has been received for every ten casualties inflicted. To my mind this more than anything else shows the efficiency and striking power of our air force. I believe it is much greater than we had expected. Let us remember that every bomber destroyed has carried a crew of from five to ten men, and sometimes more. Accordingly for every large bomber shot down we may say that one decoration has been given. Surely

this is some indication of the teamwork and heroism of the young men who are doing this magnificent job.

I do not believe the committee realizes the magnitude of a single raid against Germany. I shall not speak about groundcrew, but would confine what I have to say to the aircrew organization necessary for a thousand-bomber raid. The number employed equals approximately the number of a division of infantry. Within the space of a few hours that division must be taken into the air, flown 600 miles to within two vertical miles, probably less, of the target, and flown back to the home bases. The staggering cost and the amazing teamwork which goes into that effort cannot be emphasized too greatly.

I should like to make a suggestion to the minister in connection with what he said this afternoon. Up to now our air effort can be considered our major one. Hon. members will be called upon to look after and to provide for the future lives of all those young airmen who each night are risking their lives over Germany. Yet, with I believe one exception, hon. members have not had the actual experience which would give them an understanding of the problems involved. Newspaper men have been given this opportunity. I suggest that certain members be allowed to make an operational flight. We shall be called upon to look after these men when they come back and I think we might have some first-hand experience of the problems they meet daily.

The minister went on to discuss repatriation, demobilization and rehabilitation. He mentioned the difficulties of repatriation and they are probably greater than he intimated. We have members of the air force, such as radio mechanics, who have been located for years in distant outposts. These men being in isolated positions have had little opportunity of advancement and they have seen little service apart from their work as technicians. In many instances they are, to use the current expression, "browned off." These men should be among the first to be repatriated because their problem is an extremely difficult one. As the minister has pointed out, we have men in the operational groups of Royal Air Force. Some of the men, particularly those in the far east, may have to remain in the service for years before they are repatriated.

I agree entirely with what the minister said with regard to the problem of demobilization. There is nothing worse than to keep a soldier in the army with nothing to do after the actual fighting is over. His life becomes useless routine. Every parade, every fatigue, or every duty that he must undertake becomes an added irritation. Eventually morale decreases and rioting breaks out. I saw some of the rioting that took place in England after the last war because I was in a camp that actually did riot.

Mr. CRUICKSHANK: Shame!

Mr. ADAMSON: I expect that the hon. member for Fraser Valley was also in a camp that rioted. It is easy to be carried away by the desire to destroy things, particularly when one has nothing to do. There is the old saying that the devil finds work for idle hands, and that is particularly true in demobilization centres. Demobilization must take place as soon as possible.

There is one psychological angle I think the minister has overlooked. When this war is over, these men must be able to go into useful work. We must get over any idea that the work provided for the veterans of this war is to be provided in a spirit of gratitude. That is the wrong premise to adopt. The work they are to be called upon to do must be work that is useful and essential. If that is not done the same psychology will apply. The men will regard their work as something that has no value. This would prove to be one of the greatest causes of the destruction of the spirit of our service men and it must not happen. There are one or two matters I should like to take up with the Minister of Pensions and National Health (Mr. Mackenzie) when his bills are before him, but now I only want to emphasize that the work provided for these men must be useful and essential. That factor must take precedence over all others.

The young men of this war have been trained to take instant action to destroy. That has been their whole fighting training—to destroy the enemy. The question of cost or wastage of material never enters into the problem at all; it is simply a question of kill or be killed. The opposite rule applies to civilian and commercial life. No matter under what system we operate, cost governs the operation. Our difficulty will be much greater after this war because the personnel are more highly trained. The young man who has been flying a Lancaster bomber with 5,000 horse-power and with his bomb bays filled with weapons capable of creating acres of destruction will not be particularly interested in a repetitive job on an assembly line, or in, shall we say, selling soap retail or any other similar commodity. He will want a job where he can utilize his intellect and it is going to be extremely difficult to provide that job. I think

the minister was right in bringing up this question this afternoon. If we make promises to the people in the forces to-day and do not carry out those promises we are certainly taking the first step toward revolution.

The minister did not deal with one question, the size of the postwar air force. Naturally he cannot give any specific details, but I think some statement should be made to indicate that an opportunity will be provided for some of the men in the force to maintain themselves in the Royal Canadian Air Force after the war. There should be some statement that after the war we shall not again abandon the arts of war. That statement should be made now. I know it is axiomatic that we shall not do away with the air force, but it must be remembered that after the last war we abolished most of our naval, military and air force establishments. We abolished the Royal Naval College; we very nearly abolished the Royal Military College. There swept over the country a wave of pacificism which laid the seeds of our lack of preparation when this war began.

In conclusion, the minister mentioned what might be called the pragmatic philosophy.

Mr. HOWE: What is that?

Mr. ADAMSON: Merely this, that the individual looks after himself and is not interested in the welfare of the state. A purely selfish outlook was preached and practised after the end of the last war, and it led us into the greatest possible amount of difficulty. The old army saying, "So-and-so you, George, I'm all right," became almost the national spirit. We must be careful to avoid similar disillusionment after this war is over; because if at the end of this war we are at the opening of a better era of peace and good order among all nations, yet because we have preached the philosophy of selfishness our men will come out looking for something to get rather than something to serve, and we shall enter into another cycle which may go down into another war, a new depression and chaos even worse than the two we have already seen.

Mr. SINCLAIR: Mr. Chairman, in rising to speak on the estimates of the Department of National Defence for Air, I wish first to touch on the propriety of a member in uniform speaking on estimates of the department in which he serves.

In the British House of Commons the sharpest criticism and the most helpful suggestions on service matters have come from those who are in uniform. Members of parliament, of course, are expected to speak on subjects of which they have extensive knowledge; and who in this parliament have better opportunities of acquiring extensive knowledge of the services than those in uniform? In this country, however, there seems to be a desire to restrain or, as I believe the legal word is, to proscribe a member of parliament in uniform from speaking on service matters in this chamber. Actually the very delicate position of a member of parliament in uniform is covered by P.C. 3205, which in the air force becomes air force general order No. 21. The hon. member for Lake Centre, the hon. member for Weyburn, and the hon. member for York-Sunbury at the last sitting of the house discussed to some extent this order as it affects men who hope to be candidates in the next election. I would say that in this respect this order is more generous than the corresponding British order. It is rather with the effect of this order on a member of parliament that I am concerned. Provision is made for adequate and, indeed, very generous leave to attend parliament, provided, of course, the exigencies of the service permit. If the man is in uniform his first responsibility still must be to the service; otherwise he should resign his commission and return to parliament, if he finds that he has to put parliament ahead of his service when he is in the service. However, a member of parliament who is given this leave is subject to the following restriction, that a person granted leave for this purpose shall not disclose any information of a service nature which he has acquired in the course of his duties as a member of the armed forces. Well, quite frankly I will tell the committee that everything I know about the air force I have learned during the course of my duties in the air force. Quite frankly also I will say that as a member of parliament I do not intend to be restrained or proscribed by anyone outside the walls of this chamber. Therefore, despite this air force general order No. 21, I now propose to discuss the Department of National Defence for Air on the basis of things which I have learned while in the service.

I do not propose to speak on any operational matter in the service. After all, I am a very junior officer and am not qualified to discuss the purpose and the value of strategy which has been planned by the leaders of the service. I know that in this respect I am very much different from the hon. member for Weyburn. I got *Hansard* all the time I was overseas. Last year's *Hansard* I got in Sicily. I read it with interest because I was a member. The members of my squadron read it because there was nothing else to read. All of us, however, read with both,

I may say, amazement and amusement the fact that the hon. member for Weyburn criticized the Dieppe operation on the geographical knowledge which he had acquired in a one-day Cook's tour of Dieppe in 1936 and the military knowledge he had acquired through an honorary chaplain's commission in the militia in peace time. Everyone in the squadron I was with had waded ashore in the invasion of Sicily. None of us felt prepared to discuss even the invasion of Sicily with that operational background, so that the committee will understand what I mean when I say that we were amused and amazed.

I propose, however, to discuss certain of the administrative policies of the Royal Canadian Air Force, because that force is simply another branch of government as far as administration is concerned, and a member of parliament who can criticize, for example, the Department of Labour, as I have done, can criticize or praise the administration of the Royal Canadian Air Force or any other branch of the service.

First of all, I should like to commend the minister. I think I can truthfully say that the minister is the favourite minister of this house, because we know that he has been the driving power behind Canada's greatest single contribution to this war, the joint air training scheme. It is not only for his interest and activity in the operation of the R.C.A.F. that I commend him, but for the very intense personal interest which he takes in the welfare of every single man in the R.C.A.F. I cannot give a better example of that than the speech he has just made on the demobilization and rehabilitation of the men of his service.

The war is of course far from won, but planning ahead to give these young men in the R.C.A.F. some feeling of confidence in what is going to happen to them when the war does end is a very fine thing and most encouraging.

Since my return I have raised a number of issues with the minister and have not always met with success, naturally, but have always met with every consideration.

A week ago in this house I asked a question about the retirement of quite a number of very senior air officers. The minister made a forthright reply, in which he said that the retirement was in no way a slur on any of these officers, but merely to remove what he called a "bottle-neck" or ceiling on promotion for those who had fought in this war and, to use his own words, "who should shortly assume command if the air force is to be the young and virile force which Canada wishes it to be." I am quite sure we all agree with that sentiment. Most of these senior leaders of the air force, however, are veterans of the last war, with distinguished records, who belong to what is called the permanent force. The air force is their career. There are also senior officers who belong not to the permanent force but to the auxiliary force, which is the air force militia in peace time, and to the special reserve, citizen soldiers, as most of the air force are. I feel that if retirements are in order these men should be the first to be retired. They should be retired before those in the permanent force, and I say that for two reasons. The permanent force men have no civilian jobs to which they can go. The air force has been their career, whereas the special reserve senior officers must have left very good jobs to qualify for such a high rank at the beginning of the war.

The second reason is a monetary one. When you retire senior air force officers you retire them at a substantial pension, whereas the auxiliary officers go back to civilian life and civilian jobs, without pensions but with a generous gratuity, in their case, of one month's pay.

There is another point about retirements. Just under the ceiling of senior air officers who fought in the last war and have given wonderful leadership to the air force in this war is a layer of officers who were too young for the last war and whose rank was too high to justify sending them overseas in this war. In the rapidly expanding air force their ability and administrative training were of great use in this country. It will be a pity if the retirement of the veterans of the last war results in these men coming to the top. Tens of thousands of aircrew fighting overseas want to be led by men with real operational experience, if not experience in the last war, then experience gained in this one. To my knowledge, there is not an R.C.A.F. airman who has done a tour of operations overseas in this war who has yet achieved a rank higher than group captain. Generally we think of the air force as a keen, young, progressive service and the army is sometimes regarded as Tory—I withdraw that word; I will say as the slower or more reactionary of the services. However, I read with tremendous pride the statement by the Minister of National Defence (Mr. Ralston) on the recent appointment of men leading combatant soldiers overseas, and I wish to put this list on the record:

	Age
Major-General Kitching, D.S.O.	33
Brigadier Walsh, D.S.O.	34
" Ziegler	34
" Lane	34
" Booth	37
" Suttie	34

That is one of the finest tributes that can be paid to the army, to say that they are led

by men who are making it a "young, virile and dynamic force". I served with the desert air force for about a year, and I believe, as most people overseas believe, that it is the most efficient fighting force in this war. No little part of its success is due to the leadership of Air Vice-Marshal Broadhurst, D.S.O., D.F.C., aged thirty-seven, who has done two full operational tours in this war. Not only has he directed the air force from the control room, but he has led them in battle. He was the first pilot to land in Sicily and the first pilot to land in Italy.

With this in mind I again urge that when those veterans with distinguished records in the last war are retired they be succeeded by men who have done at least one operational tour in this war.

Unlike the army, the air force is an entirely voluntary service. Unlike the army, we do not have a horrid word bandied around in the house but never appearing in *Hansard*. Every man who joined the air force joined for the duration, to serve wherever the country's enemies are to be found. Every one of them when he enlisted thought he would get overseas and many are disappointed, because of the enormous training establishment which we had set up in the country to bring into fruition the empire air training plan. The minister has announced that the plan is pretty well stabilized, and I should think there is a better chance to get many of these men overseas. Those who have been overseas for a long time would also have a better opportunity to return home.

I commend the minister for the fact that he has kept the Canada badge of the airmen as a symbol of overseas service. Most airmen are prouder to wear "Canada" on their shoulders than the service decoration on their chest, and I hope that at the end of the war every man in the air force will be carrying the name of his country on his shoulder.

May I speak shortly on behalf of Canadians in the Royal Air Force. The minister explained the other night what their status was. These are Canadians who could not get into the R.C.A.F. in peace time because we were so small, and hon. members to the left were obstructing the present Minister of Pensions and National Health when he was trying to expand the war services. These men could not get in just after the war began because our rapidly expanding service set a very high standard. These are the men who went to England on cattle-boats, working their way there in order to join the R.A.F. No single group of Canadians in this war have so gallant a record. Whereas most of the R.C.A.F. did not start fighting in Europe until 1941, these men started on September 4, 1939, and they have fought in every battle in which the R.A.F. has been engaged—in France, Norway, Britain, Malta, the middle east and the far east. They have paid a very heavy price in casualties and have won great honour for our country.

The minister pointed out that Canada had no connection with them as far as finances are concerned. He went farther and stated that we were not identified with them in any other way. I think we are identified in another way. The early Canadian squadrons overseas were led by these Canadians in the R.A.F., because we did not possess men with that training at that time. The minister two years ago put on record the names of twenty-one men leading the Canadian squadrons. To my knowledge, ten of those twenty-one were Canadians in the R.A.F. I would remind him that his own son in Italy, serves in a Canadian squadron until recently led by one of the most gallant and dauntless of Canadians in the R.A.F., Wing Commander Stan Turner, D.F.C. and bar, of Toronto.

Very distinguished service has also been given to the R.C.A.F. by their present chief of air staff who for a long time served the R.C.A.F. as a Canadian in the R.A.F.

Mr. POWER: May I add to what my hon. friend has said. The first squadron that fought as a Canadian squadron, 406 squadron, was composed entirely of Canadians in the R.A.F. and it was called the Canadian R.A.F. squadron in the battle of Britain.

Mr. SINCLAIR: I thank the minister for his observation. These men are still Canadians, proud of Canada, and most of them want to serve in the air force of their country. I raised this matter with the minister immediately upon my return. At that time I told him that every Canadian in the R.C.A.F. wanted his brothers in the R.A.F. back in the R.C.A.F. He pointed out the difficulty to me and it was understandable. The R.A.F. did not want to lose these very brave and experienced pilots. I was pleased when he announced in the house that the transfer of Canadians in the R.A.F. back to the R.C.A.F. has now been arranged.

I can tell the committee, however, that not all these Canadians will choose to transfer back. A Canadian in the R.A.F. who has a permanent commission can naturally see a little bigger future after the war in the R.A.F. than in the smaller R.C.A.F., and there are other Canadians who will want to stay with the R.A.F. for sentimental reasons, because of

attachments formed, just as many gallant Americans who joined our R.C.A.F. before the war have chosen to stay with their comrades in the R,C.A.F.

This brings me to the matter of members of the R.C.A.F. attached to the R.A.F. squadrons. The minister brought out clearly that a man who joins the R.C.A.F. in Canada is always a member of the R.C.A.F., irrespective of whether he serves with the R.A.F., with the United States air force, the Australian air force or the South African air force, as some did. He is looked after by this country, promoted by this country and paid by this country. There is, however, a feeling throughout the dominion that the R.C.A.F. Canadians with the R.A.F. squadrons are not getting quite as good a deal as if they were in R.C.A.F. squadrons. That may be owing to the fact that the R.C.A.F. squadrons naturally have had a little more publicity in this country than the R.A.F. squadrons. However, it is very far from the case, I can assure the committee. I have served in both the R.C.A.F. and the R.A.F., and I think I do know a little about this. The young Canadian who is attached to an R.A.F. squadron does at first feel a little at a loss, perhaps a little strange, and he wishes he were with his own countrymen. If I may be permitted to use a parallel, they are very like the young Canadians who went across to Oxford in peace time as Rhodes scholars. The first year they held together in little groups, did not like the climate, or the English, very much, and were not at all backward about saying so. By the third year, however, they had grown to know and like the English. They yielded to none in their devotion to Oxford. The same is true with respect to these Canadians in the R.A.F. squadrons. Most of them have a very deep devotion for their squadrons, and I can tell hon. members of an incident that will prove it. The Canadian squadron I was with in Tunisia at one time had several casualties. There were no Canadians immediately available in the reserve pool. We were told we could get Canadians from the adjacent R.A.F. squadrons. It was only with the greatest difficulty that we could get those Canadians to come to the one Canadian squadron out there. I tell the committee and through the committee the mothers of the boys who are with R.A.F. squadrons that they are in the very best of hands.

Another point I should like to mention is the status of R.A.F. airmen in R.C.A.F. squadrons. We have heard all about the R.C.A.F. airmen in the R.A.F. squadrons, but the reverse situation also occurs. There are R.A.F. airmen, Englishmen, Scotsmen and Irishmen, in Canadian squadrons overseas. The reason for that is a simple one. Those hon. members who are soldiers from the last war know that the sergeant and the sergeant-major are the real backbone of the fighting forces. We undoubtedly had good men in these ranks in peace time, men with long experience; but with the great expansion that took place these men were naturally commissioned in Canada as officers, and therefore we are very short of long-experienced and tried senior non-commissioned officers and warrant officers. Such is not the case in the R.A.F., for in the R.A.F. many a good warrant officer cannot afford to take a commission. In the R.C.A.F. a man who takes a commission is financially better off. That is as it should be. In the R.A.F. he drops in financial status, and therefore they have a great number of very experienced senior non-commissioned officers and warrant officers who stay in those ranks. The Canadian squadrons overseas needed men like that. In the squadron I have just left there were two R.A.F. warrant officers, an armourer and a fitter, both with fifteen years in the service. They had served in Britain, in the middle east, and in the far east. One of them had gone to Russia with the Hurricane wing. These men were invaluable. They served with Canadian squadrons and they liked serving with Canadian squadrons, but they serve at R.A.F. rates of pay. In the case of a warrant officer that amounts to the pay of a Canadian corporal.

In the Canadian navy I think they do things better than that. They have the same situation. They have key men of the Royal Navy in our destroyers and corvettes, but they pay them Canadian rates of pay. I may be on the wrong wicket here because I notice the minister said that we pay the full cost of the R.C.A.F. squadrons. Does that include R.C.A.F. pay for those R.A.F. men serving in Canadian squadrons?

Mr. POWER: Frankly, I do not know; I do not think so, because at the time there were R.A.F. commanding officers with our squadrons, I know they were receiving lower pay than officers of a much lower rank.

Mr. SINCLAIR: That is quite true.

Mr. POWER: I do not think the non-commissioned officers are paid Canadian rates.

Mr. SINCLAIR: I certainly recommend that to him. The number is not large. There are only a few key men in each squadron.

Nothing in the air force has caused more heart-burning and misunderstanding than the commissioning of aircrew. Every member of the committee has heard from his constituents about the commissioning of aircrew. There

are many who believe that, because of the hazards involved, all aircrew should be commissioned. If you carry that to its logical conclusion then every man in a tank, every man in a submarine, every man in a destroyer, should be commissioned, if the hazard of the occupation is to be the governing factor. If it is to be on what might be called technical skill as a pilot, then every infantryman who is a good marksman should be commissioned. Actually, in the air force as in the navy or the army, the qualifications for commissioned rank are the same—the capacity for leadership and technical knowledge. The young pilot officer of to-day is the potential flight commander, the man who is going to lead a flight or a squadron or a wing, to lead the squadron or wing in battle and be responsible for the lives and the welfare of the fighting men under him.

The one objection of the Canadian air force has never been to commissioning on the basis of a difference of rank; it is rather the Canadian objection to a caste system. Let me explain. Two Lancasters fly side by side to Berlin, one captained by a sergeant-pilot, the other captained by an officer-pilot. They undergo the same hazards, the same strains and they return to the aerodrome. The sergeant-pilot goes to the sergeants' mess; the officer pilot goes to the officers' mess; to use an English cricket expression, a gentlemen's and players' arrangement. In the officers' mess the officer gets better food, better quarters, better opportunity for rest and recreation. There lies the injustice. These boys who are subject to the same strains and the same hazards are entitled to the same opportunities for rest, recreation and food. This was the feeling of Air-Marshal Sir Arthur Coningham, the distinguished New Zealander who led the air forces in the desert. Despite the objection of the British air ministry and, of course, the cult of the old school tie, he turned his officers' messes in the desert air force into aircrew messes, where all members of the aircrew lived. Not only did this break down the caste system, but it had the most helpful effect on the junior aircrew. The sergeant-pilot was not only fighting with the senior officer pilots but living with them and saw every day an example of how he should comport himself, what responsibility he should accept if he expected to be an officer. The best proof I can give of how successful it is, is the fact that of all but one of the N.C.O. pilots we had in our squadron when we left Egypt had been commissioned by the time we reached Tunis. That very high percentage simply goes to show that these boys learned in an aircrew mess what was expected of them as officers.

I would, therefore, most strongly urge on the minister that he institute a system of aircrew messes in the Canadian squadrons overseas in England and on the Canadian flying stations. I am not criticizing the wonderful job he has done in the commissioning of aircrews. I tell the committee that the Canadian aircrews have a higher percentage of commissioned men than the R.A.F., the United States air force, the Australian air force or the New Zealand air force. Every Canadian, of course, starts at the rank of sergeant. The aircrews of other countries start at much lower ranks. In Germany, they start in as privates or corporals. I would say, however, that the institution of aircrew messes would break down the last resentment against this caste system, and let every man subject to the strain and hazards of flying have the same opportunities for rest and recreation.

I intend to speak next on overseas leave. The minister has fairly well covered this. While members of the air force join for the duration of the war none of them wants to spend all his time overseas fighting the war without a break. The R.A.F. men do get to their homes between operational tours of flying. The minister announced last fall that after one operational tour and one tour of instruction aircrew would get one month's leave at home. It is not as easy as that. In the R.C.A.F. there is a tremendous backlog of men who have qualified on one tour of operational duty and one tour of instruction, and so the initial load is heavy. The plan is working well. There is a constant flow through Ottawa of men who have done their tour of instruction and are home on a month's leave. I would suggest, however, that the time has come when a tour should be laid down for groundcrew. A year or so ago it was suggested that this tour should be for two years, but that was later cancelled. I believe the groundcrew are entitled to some break in their service overseas, and a chance to come home for a month's furlough. Of all the groundcrew I think the most deserving are those mentioned by my hon. friend, the radio mechanics working in radio location stations in every part of the world; lonely little stations on headlands along the coast, three or four or five men, with a dull routine broken only by occasional attacks by enemy aircraft. These men have lost almost every association with Canada, and certainly they are deserving of the same opportunity for furlough at home as the ordinary groundcrew with R.C.A.F. squadrons.

I do not propose at this time to deal with the various suggestions in regard to the rehabilitation of aircrew. The minister has outlined very well to this committee some of the problems in that connection, and of course the problem of emotional adjustment is the greatest difficulty to be faced in connection with these men. I have, however, one or two suggestions to offer in regard to the employment of aircrew. There is no doubt that a large proportion of the aircrew want to remain in the R.C.A.F. To most of them it is the only job they have ever known. They like flying; they are keen about the air force, and they would like to stay in it. They know, however, that there is not very much hope for a career for many of them in the peace-time R.C.A.F. I think we all agree that our permanent force after the war will be at least as large as it was before the war, when it was very small indeed. Since the beginning of the war a number of vacancies have occurred in the permanent force through death, casualties and the retirements which have been instituted by the minister. I feel that these vacancies now should be filled, that our permanent force at least should be kept up to the peace-time strength of about 450 officers, and that vacancies should be filled from the ranks of those brave young men who have had one or two tours of operation overseas. That would relieve some of those young men of their anxiety as to what they are going to do, and would help to keep our permanent force the virile, dynamic unit the minister wants it to be.

My next suggestion has to do with the T.C.A. We have a civil service preference for overseas veterans. I believe that at present there should be a leading preference for employment with T.C.A., both in the air and on the ground, and further that the moment the war ends the preference should be complete, that only men who have flown overseas or served on the ground may qualify as pilots and groundcrew with T.C.A. There is, of course, the suggestion, which is carefully fostered, that these bomber boys are not qualified to be T.C.A. pilots. The T.C.A. pilot takes a twin-engined machine, with a good safe load, off a good safe aerodrome fully equipped with lights and all other aids to flying, with every meteorological aid and help, and lands it on another nicely laid out aerodrome, complete with lights, radio beams and all the rest of it. The bomber boy takes a heavily laden four-engine bomber off a dimly lit field, without any of the aids to be found on the fields in this country; the moment he crosses the Dutch coast he flies through zones of flak and rockets and searchlights and enemy fighters. He has almost no artificial navigation aids, no radio beam, no lights or anything else. He takes his aircraft to the target and returns, perhaps with his craft crippled and with injured crewmen; he fights every mile of the long way there and back again, finds that dimly lit aerodrome in England and lands his plane. Comparison of a T.C.A. pilot with a bomber boy puts the T.C.A. pilot pretty much on the level of a bus driver. My point is that those who carry the bombs in this war can carry the mail in peace time. I might go a little farther than that. After the war most of our first-class mail will be carried by air; and the private companies which get mail contracts should be bound by the same conditions, that their pilots and groundcrew, for at least a good period after the war, shall be men of the R.C.A.F.

I mentioned the preference given to overseas veterans as far as civil service employment is concerned. With regard to the women in our armed services, very few of them will have the chance to serve overseas, but they left comfortable lives and good homes to undergo barrack-room life in the services in order to relieve men for fighting jobs, and certainly these girls are deserving of civil service preference. I urge the minister to use his influence with the civil service commission to see that the women of the R.C.A.F. receive the civil service preference after the war, whether or not they served outside Canada.

In the course of a previous speech in this house I mentioned the special problems of rehabilitation in connection with aircrew, getting them to settle down after the intense excitement and hardship and to return to the dull and often monotonous civilian life in Canada. There is one group of aircrew, however, who deserve special consideration; I refer to those who are now prisoners of war in Germany. Of course the greatest percentage of all our prisoners are aircrew boys, shot down in bombers and fighters over Europe. These men were catapulted from a life of extreme excitement into one of deadliest monotony. The very dreariness of their present lives, the shortage of food and recreation, is undoubtedly deeply affecting them. Their hopes are kept alive by two things: first, by letters and parcels from home and, second, by the fact that to-night, and every night, in prison camps across Germany, in tents and in barracks, our Canadians are listening for just one thing, the distant thunder of our bombers coming back to blast Germany and speed their day of liberation. While Canadian airmen overseas know that the problem of rehabilitation is going to be difficult for aircrew, every man overseas feels that his comrades in the prison camps are entitled to the very best break this country can give them. Certainly they are a very special class.

I think every hon. member swelled with pride when the minister recounted in detail the very great achievements of our lads in the R.C.A.F. overseas. Our objective in this house should be to see to it that when these lads return they will swell with as much pride because of what we have done for the country in their absence.

Mr. FREDERIC DORION (Charlevoix-Saguenay): Of the three armed services the air force is the one in which I am particularly interested, because I have always had the keenest memories of my stay in that corps, in which I served overseas in 1918. At that time aviation was in its infancy, but even then the spirit of adventure, the companionship and the fine esprit de corps which existed among the men made it the finest corps in which one could serve. To-day, when I am asked to advise young people as to the choice they should make when they decide to enlist, I always recommend the air force.

While listening last evening with a great deal of interest to the speech delivered by the minister I was particularly impressed with the development of this service in the last three years. I could not refrain, however, from deploring the fact that notwithstanding such a brilliant achievement we as Canadians unfortunately cannot be too proud of the actual situation in regard to our air force overseas. We learn that thousands of our airmen are mingled in the great British melting-pot with Czechs, Poles, Belgians, Free French and so on. I quote from page 1034 of *Hansard* of last night:

> With regard to aircrew, that is men who fly, the situation is different, and our proportionate strength to that of the Royal Air Force is very much higher. I have not the exact figures for overseas. I know, however, that Canada is now, and has been for many months, the largest and principal producer of aircrew for all the commonwealth forces.

And further:

> But with the best information I can obtain, I should say that from 22 per cent to 25 per cent of all the aircrew in the European and Mediterranean areas under British tactical command—and this includes British, New Zealanders, Australians, Poles, Czechs, Norwegians, Belgians and Free French—are Canadian boys, enlisted in Canada, trained in Canada, paid for by Canadians. That proportion will tend to increase rather than decrease as the men whom we have overseas proceed through their final courses to the operational squadrons, until Canadians comprise about one-third of the total content of these British-dominion-allied aircrew strength.

What is the reason given by the minister for such a state of affairs? What is the explanation for not having all our airmen serving in the R.C.A.F. under a Canadian command and in Canadian squadrons? We find the answer in the minister's speech as it appears at page 1033 of *Hansard* as follows:

> With respect to the other category of Royal Canadian Air Force airmen attached to the Royal Air Force, namely aircrew, they are not in Royal Canadian Air Force squadrons because there are not now, nor likely ever will be, enough Royal Canadian Air Force squadrons to fit them into. These aircrew, flying men, are widely dispersed throughout Royal Air Force squadrons.

And then, further on:

> There are not nearly so many Canadian aircrew in Royal Canadian Air Force squadrons as there are scattered throughout the Royal Air Force. I have been asked many times why all Canadians are not in Canadian squadrons. The answer is that if all Canadian flying men were in Canadian squadrons we would require not thousands, as we have, but well over a hundred thousand groundcrew for the maintenance and service of these squadrons and their equipment.

And here comes the most amazing, and, I believe, the most important question the minister will have to answer to the people of Canada. If we have not as many squadrons as we could or should have, because of a lack of groundcrew, why is it the government has decided to stop the recruitment of groundcrew? This is what the minister is reported to have said at page 1027 of *Hansard!*

> We have reached a phase in our war-time existence, as far as the air force is concerned, which marks the end of one part, and an important part, of our work, namely the air training.

And again at page 1028

> This reduction from requirements of previous years, is largely due to the fact that groundcrew requirements have been stabilized.

And yet, Mr. Chairman, we see by some of the minister's words that he had to fight to get the forty-two squadrons we have overseas. Then, quoting again from page 1034 of *Hansard:*

> Besides, the joint air training plan was intended only for the purpose of producing aircrew. It was never intended under the original agreement that we should send any groundcrew over to the United Kingdom. It was considered that if Canada set up the ground establishment in Canada to train flyers, and that meant employment of over 150,000 people on the ground, it would have done its share in the air war effort by sending the trained flying personnel overseas to fight as member of the commonwealth air forces in any of the commonwealth units anywhere. But because we desired further identification of our forces, and because we had some of the best mechanics and groundcrews in the world, eager and ready to proceed overseas, we set up these overseas air squadrons, and personally I am exceedingly proud of the action we did take.

And I quite agree with the minister when he says this:

To judge by the paucity of public information carried in the British and American press, and in official statements and communiques with respect to the thousands of our men in the Royal Air Force, I should judge that if we had not had these squadrons of our own, even the people of Canada, not to speak of our allies and partners, would have been almost totally ignorant of the large and important part Canada is playing in the air war and the defeat of Germany.

But why not continue the same Canadian policy? Why stop sending groundcrew overseas? Why not endeavour to form as many Canadian squadrons as possible? Must we deduce that the government is satisfied with this situation? Must we believe that some new unknown agreement has taken place in virtue of which the British air force must keep its standing at the expense of Canadian airmen? Why always have Canadians in all the services performed the most difficult task, when others keep to their fireplaces? Why must we furnish the men to do the real fighting, when every day, from press dispatches throughout the world, we are told that it is the Britishers who do the job?

Why not incorporate British groundcrews in Canadian squadrons, instead of training Canadian airmen to form British squadrons? Does the answer not reside in the fact that we are always, and must always be the colonials, useful only to pay tribute to the mother country? Is this not the best evidence that we are coming back to the status of a colony, and that notwithstanding the many declarations made lately by members of the government, we are accomplishing exactly the wishes of those who, like Lord Halifax, want the dominions to disappear as independent units? Every Canadian is proud of being a Canadian, but I urge the government not to deceive the people, because I am afraid of the reactions which may follow.

(Translation): Mr. Chairman, I have but one word to add to what I have just said. I should like the Minister of National Defence for Air to explain how it is, and I deplore the fact—that Quebec has been chosen as the first city where air force training schools are to be closed. It is often reported in the press, and unfortunately all too often and unfairly in this house, that enlistments are not as numerous as they should be in the province of Quebec. But if young French Canadians are not afforded the opportunity to enlist in those services which they might like to enter—and as I said at the outset, the air force is the one which our young men prefer—if they are deprived of facilities for enlistment in that air force through the closing of schools operated in our province, there may still be more reasons for deploring the fact that voluntary enlistments are not as numerous as they should be. That is why I ask the Minister of National Defence for Air, before any decision is taken, whether some action might not be taken to prevent the closing of those schools and keep them open for the benefit of the people who live in the Quebec district.

(Text) Mr. BRUCE: I wish first of all to congratulate the Minister of National Defence for Air upon the brilliant presentation of his report respecting the activities of the air force both overseas and in Canada in this time of war. Hon. members will agree that the minister had a wonderful subject, but it will also be realized that he has taken full advantage of that subject to give us an extraordinarily interesting account of the exploits of our young men overseas, exploits which have filled all of us with pride and gratification.

For a moment I should like to speak about the medical service which he has established for the airmen. All hon. members will appreciate the fact that there are many conditions affecting airmen which are quite different from those which affect the ordinary soldier on the ground. Therefore it has been necessary to have men specially trained in the problems and requirements peculiar to our aircrew by work in laboratories and by taking special medical courses in universities in England and Canada. We know that Sir Frederick Banting did a great deal of valuable experimental work in the Banting institute in Toronto to determine the effect of high altitudes on the heart and blood pressure. The result of his investigations has proven of great advantage to members of the air force.

I disagree with the hon. member for Renfrew South who advocated having one medical service for the three branches of defence. I think it was a wise decision as far as the air force was concerned to have a medical service separate from the general medical service responsible for our army. The same comment could be made in connection with the naval medical service.

The minister was very fortunate in his selection some years ago of a head for his medical service. Perhaps I should not say that he was fortunate but rather that he showed a good deal of judgment and wisdom by selecting a gentleman by the name of Ryan to head that service here. I do not know what his rank was when he was serving in England,

where he had a large experience in the special problems associated with flying, but he was made an air commodore when he was put in charge of the air medical service in Canada. He laid the foundation for a medical service in Canada which is unsurpassed, if equalled in any part of the world.

He was followed by Doctor Tice who had been associated with him in the air medical service for some years. Air Commodore Tice, as he is now known, has continued the work and has given equally good service as head of the air medical department. I want to commend the minister also for a recent appointment he has made. I refer to Wing Commander or Group Captain Clark Noble. This gentleman served in the air establishments in Montreal, in the west and in other places. He has had a considerable experience in this work which has been superimposed upon an excellent education in medicine. He was one of the leading physicians in our city for some years after completing a distinguished post-graduate course in England. I commend the minister for his selection of Group Captain Noble as head of the air force medical service in England.

The minister referred to the desirability of having somebody to advise officers and men as to what their future work should be. He referred to these men as personnel consultants, and I am going to suggest that in selecting a head of this organization he could not do better than to pick out a medical man. The whole training in medicine is such as to qualify a man for such a post. The other evening we heard that there are sixty-three psychiatrists in the army, and I do not know how many there are in the air force. I suggest that one of these psychiatrists would do very well as an adviser to these young men as to their future professions or activities.

Some years ago I visited the dean of the medical faculty of Columbia university in New York city. I found him engaged in a job very similar to that which the minister indicates will have to be done on demobilization. The dean was interviewing prospective students. No matter how high his examination rating had been, each student was interrogated carefully by the dean of the medical faculty to see whether he should enter the profession of medicine. Everyone who thinks he would like to be a doctor is not qualified by training or aptitude for that profession, and I assume the same may be said of law and the other professions. It is quite clear that these young men will need advice, and I think the minister is quite wise in suggesting that there should be somebody to direct them on demobilization.

During the long period of waiting in England or elsewhere for demobilization will provision be made to educate these young men along the lines they hope to follow as their life work?

Mr. POWER: Yes.

Mr. BRUCE: That is very important. I have nothing but praise for the wonderful work of the air force. I should like also to say a word of praise for the admirable way in which the minister has presented the work of the Royal Canadian Air Force to this committee.

I have just one other word to say arising out of the report given a couple of nights ago by the Postmaster General (Mr. Mulock) as to the time it takes to get letters overseas. I have received a considerable number of letters from parents and others complaining about the length of time it takes a letter to get across to our forces in England and the Mediterranean. As a consequence, I went to the base post office to make my own investigation of how the mail was handled and whether they were doing their work properly. After a careful inspection lasting an hour and a half I concluded that the service was entirely efficient and that any delay in the mails was not the fault of the base post office in Ottawa.

I recollected having seen an item in the press on this subject some time before Christmas, and upon looking it up found that on December 4 the minister stated that it was planned to operate two flights a week from Ottawa to the United Kingdom and as many each week as might be necessary from the United Kingdom to the Mediterranean area or wherever routes might be justified. The minister stated:

> The service was set up because of the length of time it took ordinary mail to reach men on the active fronts. Mail to soldiers in Italy and the middle east was running as much as two months behind time. Realizing that letters from home provided the biggest kind of boost to morale, the R.C.A.F. undertook to get the service going.

I appreciate the difficulties faced by the minister, and I bring this up now simply to give him an opportunity of reassuring us that that service will soon be established.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. CHURCH: The statement which was made last Tuesday by the minister is one of the most comprehensive that we have had. I come here from the Toronto district, the most air-minded city, in two wars, in the

dominion. The minister has had a long connection with that city, covering two wars. I do not know whether he is looking for a seat, but I know that many airmen up there are with him. I wish also to compliment his deskmate and parliamentary assistant (Mr. Macmillan), who has shown great efficiency and has rendered splendid service, when the minister has been overseas, to private members of the house.

Starting from scratch on land, sea and in the air, after complete disarmament, Canada, with the air training plan and especially with lease-lend, has made a very real contribution in this war. There is no doubt about that. Many mistakes have been made, but they are made in every war. I was glad to hear the gracious reference to members of this house who have suffered the loss of their sons. In the British House of Commons fifty-six memebrs of parliament have made the supreme sacrifice so far in this war, and also many of their sons with them. What saved the world in 1940 were those glorious young men, some from Canada, who went up in the air in the battle of Britain by night and by day, from dawn to dusk, and sometimes for twenty-four hours a day. They saved the mother country, and we owe our very existence as an empire to those young airmen. Had it not been for them the war would have been over a few months afterwards, and for all we know both the United States and Canada would have been compelled to make peace with the axis powers. Not only were the losses of the air force in the battle of Britain very heavy in deaths, but those who are wounded will never be the same. How many of them will live tolerable lives again? It is the duty of the country to fulfil its obligations to these young men and not to allow a repetition of what happened after the last war.

In the period between the two wars that I have been a member of this house I have consistently supported, I am glad to say, rearmament on land, on sea, and in the air. In March, 1938, I pointed out to the house the very grave danger which this country, especially Quebec, the maritime provinces and the Pacific province, would be in if war came. We had ample notice of what was likely to happen. Speaking in this chamber on March 24, 1938, in support of an increased vote for air defence, I said, as reported in *Hansard* on pages 1662 and 1663:

> There is not only the possibility but a great probability that air raids will occur in the next war in which Canada is involved. The defence of our population from air raids should be considered. These raids will be the chief source of danger in all future wars, and we shall be living in a false paradise if we do not adopt measures to protect ourselves. Abyssinia was recently a theatre of war, and we all know the destruction of civilian population that occurred through this means of attack. Abyssinia is an open country with only a small density of population as compared with what there is on the island of Montreal and in other parts of Canada, and yet great damage resulted.
>
> Air raids can work great havoc in time of war, and the menace will be a very real one in Canada, especially to the people of Quebec, the maritimes and British Columbia.
>
> . . . An aerial bombardment is one of the dangers most to be apprehended in time of war, particularly in large cities with their dense populations; the protection of cities from aerial bombardment should be one of the chief objectives of the national defence department, and proper equipment for defence against this menace should be provided. . . .
>
> Large quantities of poisonous gas could easily be spread over a large area as was done in Abyssinia, and incendiary bombs dropped on our large cities, with great destruction and slaughter, and the enemy aircraft could get back to their base in practically no time. These attacks would not only bring ruin to our cities and towns but break the morale of our people and prevent us from developing a proper defence and mobilizing our man-power and armaments.

That happened to be true in this war in relation to the people of Canada. Since the minister this session presented his comprehensive statement last Tuesday there is very little which needs be said. It is a splendid statement, in respect of those who have enlisted, the tabulations which have been given, and the estimates for the coming year. We all realize that since the statement of last year there has been a vast improvement in the war situation. True it is that during the battle of the Atlantic a year ago we faced some critical periods, and the result wavered in the balance until we had the union of sea power, air power, and land forces. Sea power alone can never bring us victory. Sea power means the power to use the seas and to deny their use to our enemies. I do not suppose that commerce will ever entirely leave the sea and take to the air. The balance of power will continue to be a necessary policy, as it has been in Europe for the past three or four centuries. It is just as essential to our future well-being as it was in the days of Philip of Spain, of Napoleon; and in our generation, twice, under the menace of Emperor William and Hitler, it remains of supreme importance.

There are some principles which I think should be considered in connection with our air policy in the near future. The war is far from being won. We have not yet penetrated Germany's defences. There has been an improvement in the Mediterranean situation, thanks to the glorious advance across the desert for nearly three thousand miles

which was made under those great generals, Alexander and Montgomery, when air power came to the support of the army and helped to restore the supremacy of sea power in the Mediterranean. In the advance through Italy sea transport is needed and sea power is as necessary as ever, but sea power, which Britain has maintained since the time of Napoleon, cannot alone win the present war. The part taken by airmen and the army in the Mediterranean has been most important and gratifying and has given new courage and heart to the peoples of the world.

Since the minister presented his estimates last year we have seen not only on the Atlantic ocean but in the Mediterranean the union of sea and air power and land forces. Remember that the land forces are just as essential as they were in the first two or three years of the war, when all over the United States they were ridiculing the British Tommy in the early days of the war; but the British army saved the situation, not only in Africa, in the Mediterranean and in Italy but by taking possession of Iceland and other bases in the Atlantic, because there is no doubt that had Germany gained supremacy in the battle of the Atlantic, before we got some control over the U-boats, before we had an umbrella in the air over our sea power, the consequences would have been most disastrous to America. Thanks, however, to the glorious achievements of our airmen in aiding sea power and convoys, the battle of the Atlantic has turned in our favour and the U-boat has practically retired. Neither ships nor aeroplanes can operate without the possession of air bases, and these must be held by land forces. Their possession was a very fortunate circumstance for us during the Atlantic operations.

Air power cannot be a substitute for sea power until the air can replace the sea as a medium for the conveyance of the world's commerce. Air forces, like sea and land forces, are instruments of sea power, and so each finds its proper use.

I wish to refer in conclusion to one or two other matters. The last one is in regard to the necessity of utilizing the lessons of this war and applying them in the coming days of peace. If we do not, this magnificent body of young men of the air will suffer from unemployment after the war.

I wish to call the attention of the committee to the situation in the Pacific. I have here a map which I will send to the minister, showing the danger to which the empire is exposed, which danger will continue even after the German war is over. That danger lies in the Pacific. I find an interesting article and map in the *National Review* of February, 1944, in connection with air travel. It is pointed out that the war with Japan may go on for four years after hostilities have been concluded with Germany. The Japanese are hopping from island to island, and the Japanese fleet and air force are as yet an unknown quantity in this war.

There is one phase of the situation to which I should like to refer as I did on July 15 last. It may come only partly under the minister's department, but I submit that it is necessary to have an empire air policy after the war if we are not to surrender our privileges to our brave allies, friends and kinsmen to the south. There has been a long debate in the British House of Commons on the question of air travel and an all-red empire air policy, and the matter is also receiving close attention in New Zealand and Australia. On January 19 last, Mr. Curtin and Mr. Fraser, the two great prime ministers in the southern Pacific, representing the sister dominions of Australia and New Zealand, who met on a union defence screen policy in the air in the Pacific, made an appeal to Canada, and I suggest that it should not go unnoticed. I quote what Mr. Courtenay, special correspondent of the *Sunday Times*, said in his dispatch from Canberra on January 16 last:

> It is not generally realized at home that America has a Pacific air route which is marvellously well organized. On the day after war ends the same pilots, planes, aircrews, ground organization, wireless and meteorological services will be available to begin commercial air services between Canada, America, Australia, and New Zealand.
>
> The British empire will not be in this lucrative traffic because nowhere on the Pacific route during war is there one British plane, pilot, meteorological expert or radio operator. Unless Britain places aircrews on this route in 1944 she will be left at the post as far as experience and good will of services go, if peace comes in 1945.
>
> The Americans have not got this tremendous hold over Pacific air routes by accident. They have got it by enterprise and drive at a time when we were fighting for our lives against huge odds. They are backed by their government in this and in all other commercial expansion. They make every concession to would-be travellers on their air routes even to carrying them free.

He goes on to refer to the meeting on January 13 between the prime ministers of Australia and New Zealand on the question of defence in the Pacific, and the necessity of Canada also and Britain doing something immediately to solve this great problem of our era, not only for the benefit of the British empire but for the peace and security of the world.

The minister for the army last Tuesday brought down for me certain tables with regard to pay in the army, the navy and the air force. I would point out that there are many air inequalities in these tables, reading right across the list, from those at the top down to aircraftsmen or privates, in connection with subsistence allowance, dependents' allowance for wife and one child, quarters and so on. I appeal for better treatment of these low paid men in the air force and the navy. The cost of living is just as high for them and their families as it is for people in the higher brackets and something should be done to alleviate their condition. Nothing has been done for them, however, in the past twelve months except to move them from $1.30 to $1.50, and they did not all get that. The time has come when some committee should take this matter into consideration. There should be equality of pay, putting these people on an equal footing with those of corresponding status in the forces of the United States. Questions in regard to cost of living bonus for dependents and other matters of that kind—holidays and so on—will be discussed later on. In the meantime, I regret to see that nothing is being done with regard to a national system of soldier insurance I have been advocating since this war began.

We have heard a great deal about the wonderful bank that is being set up. Every one, I suppose, will get some assistance from it, but it seems that a great deal more has been said about this bank since some industrial ridings went against the government in August last in the Ontario elections. Heretofore these industrial workers were forgotten; now they are being considered. I would remind the government that a large number of these young air people come from the industrial ridings. They have joined the army, the air force and the navy, and they should, I submit to the minister, be given some consideration in the form of a national insurance policy for all soldiers and their dependents, and to provide for them for three years after the war. It was shown in the last war, so far as the United States is concerned, that large sums of money can be saved in pensions and other aids to soldiers by a national system of insurance for soldiers. I have referred to this matter, and to other questions such as cost of living bonus, for four or five years, but little progress has been made.

I wish to compliment the minister upon the wonderful record of achievement of our air force overseas. I am sorry to see the casualties it has suffered. Sometimes I think in Canada in training camps a civilian inquest would do a great deal of good in some of the cities and towns, because it would tend to clear up the inequalities that exist and to check the carelessness, if any, that now prevails. The Canadian army on land, on sea and in the air is a citizen's army, and I contend that when men join the forces they should not lose all their civilian status as a result of enlisting. Every man who enlists should retain all the rights and privileges which he enjoys as a citizen. For that reason I hope the minister will see his way clear next year, in urgent cases, to allow a civilian inquest to be held as in the past.

Mr. LACOMBE (Translation): Mr. Chairman, in his remarks the Minister of National Defence for Air (Mr. Power) has said how greatly important he considers the rehabilitation of our airmen. When the conflict comes to an end, our air heroes will have to be given the full measure of justice and assistance to which they, together with the members of our army and navy, shall be entitled. Canada, having been able to find money to train them for war, could not shirk the duty devolved upon her to equip those young men for civilian life. It is said that foresight is the essence of government. Let us foresee the post-war period, when countless difficulties will arise on all sides. We shall then have to find for the members of our armed forces occupations worthy of them. There are some who wish that demobilization might be held up until several months after the armistice. I am against such a suggestion. Any delay would be fatal to the spirit of enterprise and reconstruction which will have to be greatly stimulated. The future of Canada and her vital interests will then be our best guide. I wish to quote the following excerpt which I find in the February, 1944, issue of "Canada at War", page 23:

> So impressive has been the success of the plan that Canada has been referred to as "the airdrome of democracy". The R.C.A.F. is responsible for administration of the B.C.A.T.P. and for provision of its instructors.
>
> There were only 169 pupils in the first classes—50 pilots, 44 observers and 75 wireless operators. However, air schools and flying stations sprang up all over Canada until 154 were in operation, more than twice as many as the 74 originally estimated as being required for the programme.
>
> Ten thousand training planes flew an average of 2,000,000 miles daily to produce the still expanding force of 50,000 aircrew graduates—enough to man 15,000 combat aircraft. More than 80,000 men have had special training in groundcrew trades.

Mr. Chairman, is it not obvious that I was right in stating a few moments ago, that the demobilization of our army should be undergone as carefully and speedily as possible as

soon as the war is over. For that purpose, the government should immediately order the holding of an investigation about the equipment of our three armed services, the value and the capacity of the buildings taken over by them, the buildings used by war industries, so as to protect the nation's economy which is already threatened by war and its aftermath.

Mr. McIVOR: I am sure we were thrilled at hearing the narration which was given by the minister Tuesday night and to-day, telling us of the exploits of the airmen, not only in the air and over the sea, but in the training centres as well. We learned that they were capable of going up high and coming down heavy; that they were capable of doing the dangerous thing and the hard thing.

I should like to tell the minister to-night that I received a commission from two aunts to tell him that they were also capable of doing the kind thing in helping to bind up the broken spirit. Twice last year I asked that the silver cross be given to the next of kin; that when a young single man's mother died the next of kin should receive the silver cross. These relatives received the silver cross and they asked me to thank the minister and those associated with him for that.

I should also like to tell the minister that a number of young pilots from the head of the lakes asked me—they did not call him the minister, or the Hon. C. G.; they just called him plain Chubby Power—to tell him that we can trust him; that he is doing a great job, and let him take the bumps with the calms and we shall see that he gets a great ride after the war.

I have a question to ask with respect to the giving of the silver cross. How are they distributed; how are they sent out? If the minister cannot answer that, perhaps his parliamentary assistant can. On behalf of the recipients of these crosses I thank the minister for sending them out.

Mr. GRAYDON: I have no desire to take up much of the time of the committee at the moment, but one or two matters arising out of the minister's statement I think deserve an observation or two. One of the matters which struck me most forcibly in connection with his lucid and clear exposition with regard to the air force was that in his remarks he was very frank and very fair. I wish to say to the committee, to the minister and to the government that it is an indication of how a government can cooperate with an opposition. It is not a very easy thing—and I think most people recognize it— to carry on government in war time. On the other hand, it is not a very easy thing to carry on opposition in war time either, because both of them have difficulties, which the minister only too well knows. But cooperation, so far as governments and opposition are concerned, cannot be just a one-way street. In his frank and open statement the minister has shown a spirit of cooperation so far as the opposition is concerned. I think he has made it a little easier for us, because, after all, we are anxious to do a job for the people of Canada within the confines of our duty and obligation in this house.

The minister's clear references and frank statement have been of considerable help to us. His statement was, shall I say, not too long, but it was filled with the usual simplicity of language and clarity of expression that one associates with him. Having said that about the minister, I think perhaps that is all he can expect, and he may feel that is all he deserves.

Mr. POWER: It is a little more.

Mr. GRAYDON: In any event the story of the Royal Canadian Air Force, their daring exploits and the great successes which he chronicled in his statement on Tuesday night and to-day indicate, I think, that the young generation of Canada, as was the case with the previous war-time generations, is living up to the very best traditions of Canada. We used to hear it said that the new generation was not quite as good as the old. I think the minister's statement of Tuesday and to-day would indicate that if we of the previous generation, if you like to call us that, had measured up to the standards which those of the present generation are setting overseas and in every theatre of war we could look back with perhaps more pride and perhaps deserve more tributes than we have received.

When we speak of Canada's future in aviation and in the air generally, if the achievements to which the minister referred can be accomplished in time of war it would appear to me and to the members of the committee generally that when the war has been concluded there is no reason why, if Canada is standing on the top rung of the ladder in the air in war, she should not turn the tremendous assets that she has in man-power and material to achieving similar success on the air routes of the world in civil aviation in peace time. By the utilization of the man-power, both aircrew and groundcrew, we have seen what accomplishments we can bring about in war time. Those achievements indicate to us what is possible in time of peace. The transition from war to peace in so far as the air force is concerned constitutes an entirely different problem from that of the other two branches of the service, for this reason, that the utilization of the men and women, if you like, in

the air force by civil aviation will follow along perhaps with less interruption in many instances than the change from war to peace in the other two branches. I think we should utilize to the fullest possible degree the men who have been trained in aviation, the men who have by virtue of their experience in war so much to contribute to this nation in the development of our position in so far as civilization in an international way is concerned. Therefore I hope that during this discussion the minister may indicate the policy of the government in making that change from war to peace in regard to at least a good proportion of those who have accomplished so much in the air during this war-time period.

I should like to mention a matter which was dealt with also by the hon. member for Vancouver North, and which I bring up again only because perhaps it needs some emphasis. I hope the chairman of the committee will not ask me to lay on the table the document I propose to read, because I shall read it only in order to bring to the minister's attention one point. I am referring to a letter I received just the day before yesterday from a fine boy who lived in my constituency and whom I have watched grow up until now he is a mature man. He has been in the air force for a considerable time and has been overseas for I am not sure how long but at least for a good many months. This letter is dated February 17, and in it he says that he had hoped to get home some time this summer on the month's leave that aircrew are supposed to get after completing a tour of operations and six months of instructional duties. However, he says the system does not seem to be operating as well as it should and that this is causing quite a lot of dissatisfaction among the men. He says also that most of the boys feel that instead of doing their instructional work in England they should be allowed to perform that work in the schools at home. The letter concludes with a reference which makes me feel very proud. This boy speaks of his pride in belonging to an organization which in spite of terriffic handicaps has conquered the air lanes of this war, and whose members have marked "paid" on many outstanding nazi accounts. I have referred to this letter particularly to bring to the minister's attention this matter in regard to leave, which was so well put by the hon. member for Vancouver North this afternoon.

I also want to bring to the minister's attention the position of the women's division of the Royal Canadian Air Force. I have had brought to my attention on many occasions, particularly in correspondence both from this country and from overseas, the question of equality of pay for women in the services. I raised this question with regard to the Canadian Women's Army Corps when the army appropriations were under consideration, and I raise it again now in the hope that the minister, who has a full knowledge of the situation, will give the matter his serious consideration, so that in the air force, and perhaps in the other branches of the services as well, eventually we may have that equality to which people seem to render lip-service as far as civilian life is concerned, but which somehow never seems to quite materialize as far as our women go. I do not wish to be unduly critical of the minister, but I should like to have him give the situation his most careful attention so that we may have an approach to equality of pay.

There is another matter I should like to mention which I think peculiarly affects the air force and perhaps does not apply in the same way to the other branches of the armed services. I am told by members of the air force that in this branch, unlike some of the other services, allowance is not made for travelling time when leave is granted. To give an example, an airman in British Columbia is given leave for two or three weeks to visit his home in Ontario. Out of that leave he must spend four days coming and four days returning, making a total of eight days which should not be taken out of his three weeks' leave. It may be that there are reasons for this practice being followed, but I think this is one of the little things which might be corrected by the minister, who is so good at looking after details of this kind. I should like to leave that thought with him, together with the whole question of free transportation for our troops, which I mentioned when the Minister of National Defence had his estimates before the committee. I do not wish to urge that unduly year after year, but I mention it now for this reason. I fancy that the minister and most hon. members feel that we as civilians seem to make such a puny little contribution to the war effort. It may be that our contribution is greater than perhaps we realize, but still I think there is a feeling among civilians generally that unless one is in uniform one does not seem to be doing anything like the job the boys and girls are doing who have actually donned that uniform; and I think that is a proper feeling for us to have.

Having that in mind, it seems to me that as civilians we should try to do more for those who are in uniform, even if it means spending more money. After all, we are in this war to win it; and any little convenience or comfort, or anything which will advance the position of the men and women in our armed forces, should be the deep concern of each of

us. In connection with matters such as the cost of transportation, the allowance for travelling time in connection with leave and matters of that kind, if we are to err at all I think we should err on the side of generosity toward those in the armed forces.

At this time I do not desire to make any lengthy statement in connection with the air force appropriation, but I should like to say that I believe this committee might properly spend some considerable time—I am not suggesting this for the purpose of delaying the estimates—on the matters which the minister laid frankly before this committee this afternoon in connection with post-war and demobilization problems. These are matters to which I think we are in duty bound to give serious consideration and attention. These are not entirely government matters; they affect the life of this whole nation in the years that lie ahead. The manner in which we as a country receive back into civil life the men who have made the continuance of that civil life possible during these perilous and dangerous years will, in the final analysis, determine whether or not we as a people are able to meet the challenge which is squarely before us now. I want to say to the minister that as far as our party is concerned we are anxious to give every possible assistance in the solution of these very difficult and trying problems which from time to time come up for solution.

Mr. BLACKMORE: All hon. members are proud of the achievements of the air force, and all are thankful that our boys have risen so splendidly to the occasion thrust suddenly upon them. I do not purpose speaking at length at this time, but rise merely to place before the minister one question in connection with which I believe more can be done than is now being done. I refer to those men from Canada who have joined the R.A.F. and have desired to be transferred to the R.C.A.F., but who thus far have been unable to accomplish their object.

I hold in my hand a letter which reached me only to-day, an excerpt from which I believe the minister would be pleased to hear. These are the words in the letter:

> Whilst serving in France at the beginning of the war we were asked if we would transfer to a Canadian squadron, with the possible opportunity of transferring to the R.C.A.F. I put my name forward immediately, but that was the last we heard about the matter, partly I expect because of the turn of events at that time.
>
> After my return from France I tried almost every conceivable way of being transferred to the R.C.A.F. I have been to Canada House and also to the R.C.A.F. headquarters in London, but without receiving any satisfaction. Have put in application after application at every station where I have been, but the answer is always the same, that it is impossible. Have even finished my term of service with the R.A.F., but even that does not seem to matter.
>
> Since my return from France I was married to an English girl who is now a serving member of the Canadian Women's Army Corps. As you know my wife in the service receives Canadian status as regards pay, etc., and myself being a Canadian citizen will have to carry on in the R.A.F. never being able to receive the equivalent pay or promotion as members of the Canadian services enjoy, unless there is some remedy which I have not had brought to my notice.
>
> Should be very pleased if you could enlighten me as to a possible solution to my case.

This boy lives in an Ontario city, and states:

> My intentions are to return there after the war. My classification in the Royal Air Force is corporal, fitter II engines, group 1.

I believe no comment is necessary. The minister has already indicated that he is keenly aware of the existence of this problem, and in his remarks this afternoon he indicated that he has taken measures to deal with the matter. But I gather not only from the words but from the tone of his remarks that he is meeting with some sort of very difficult opposition.

Mr. POWER: No. I was hoping to allow the asking of a number of questions before undertaking to make a reply. May I say to my hon. friend, however, that the matter is now settled, in that we have reached an agreement with the air ministry, notification of which was given the house on February 16. The R.A.F. no longer has any objection to the transfer of their personnel to the R.C.A.F.

Mr. BLACKMORE: I shall have to get the details from the minister to-morrow, and I shall be happy to pass them on to this young man. He is about the third one in this predicament who has brought his case to my attention. There seem to be many of them. I was going to suggest that even if there are any difficulties in the way of actually transferring these splendid boys to the R.C.A.F., at least this parliament should make provision for making up to them the difference between the rate of pay in the R.A.F. and the rate in the R.C.A.F.

Mrs. NIELSEN: Mr. Chairman, I, too, have received information quite similar to that mentioned by the hon. member who has just taken his seat. I have in mind a young boy from my part of the country who went to England at the beginning of the war, and has been in the Royal Air Force ever since. His parents have been very much alarmed about the situation because they have felt for a long time

that their son, who was a capable boy with university training, should have been eligible for a commission. Owing, however, to the fact that he was in the R.A.F., all his appeals to the R.C.A.F. have been without avail. I thought if I brought this particular case to the minister's attention he might be able to give me some satisfaction to pass on to the parents.

Mr. POWER: I would be very glad to.

Mrs. NIELSEN: While I am on my feet I should like also to support what was said by the leader of the opposition respecting the question of equal pay for equal work. When this debate was before the chamber last year I made some reference to the need for recognition by the government not only of the splendid work being done by the women in the auxiliary services, but of the fact that they are entitled to the same pay when doing the same work. Knowing that the Minister of National Defence for Air is a man who holds realistic views, who is not afraid of innovation or new ideas, and who has always tackled things in a manner greatly to be admired, I felt that perhaps with him I would be able to press home my point to greater advantage than I might with some of the other ministers.

I do feel that all of us give lip-service to the idea of the wonderful work the women are doing in connection with our war effort. In the marvellous perspective now opening up before the people of the whole world, wherein we can see before us a pathway leading on to greater progress, I am of opinion that if we women do not take upon ourselves the necessary effort to convince you men of our rightful place in the world, and our right to have the same pay if we do the same kind of work, you men are just going to forget about it, the same as you have forgotten about other things in the past. Never was the time more ripe for women to press home their right to earn the same as the men earn, when doing the same kind of work, than it is now in the light of the marvellous and valuable contribution the women have made in the war effort.

Many of these women have in the past helped to support homes. Women, the same as men, have many responsibilities, such as looking after aged parents. And where the woman does the work, surely she is entitled to the pay. I heartily support the leader of the opposition in the plea he made, and I hope the minister will take cognizance of it.

Mr. FACTOR: I wish to say a word or two about a body of men in the Royal Canadian Air Force of whom no one has yet spoken. I refer to the thousands of administrative officers, who have been part of the scheme—those penguins, as the minister once called them, sitting in the Jackson building, in the Lisgar building, in command headquarters and in all units.

Perhaps I can speak with some authority on the subject, having been an administrative officer for over three years, and having had experience in units, at command headquarters and at air force headquarters. No one realizes better than I the vast contribution made by aircrew, the boys who fly the aircraft. I understand, too, that contribution made by the groundcrew, the boys who keep them flying. I say, too, that if the Dominion of Canada had done nothing more in this war than make the contribution it has made in the air force, we would have done a wonderful job, as far as our war effort is concerned.

I wish, however, to say a word or two about the forgotten men of the air force, the men whom I heard a flying boy once term the pen-pushers. These men in the different offices are making a contribution to the war effort. They rank from Air Vice-Marshal down to AC2's, and without their contribution this whole scheme would not be possible. Many of these men left lucrative positions in civil life and have made great financial sacrifices in order to do their bit in the great Royal Canadian Air Force. I should like to make one appeal to the minister on their behalf. The aircrew receive twenty-eight days annual leave, to which they are justly entitled; but I submit that men who sit at desks, men who are fighting the so-called paper war day in and day out, week in and week out, are entitled to the same consideration and should be given twenty-eight days leave. Their work is perhaps more tedious and more tiresome than any other; it exacts more in the way of physical strength than that of the boys who fly the planes. I say that without intending in any way to disparage the hazardous occupation of the boys who fly. But I do ask the minister to give some consideration to these men who are sitting in the offices day in and day out filling out these numerous forms. I would include the women, too, in this plea. They are doing a great job in administrative work. The occupy the positions of adjutant, assistant adjutant and many other administrative offices.

There are many men in the air force who are reaching the age of retirement, and there are also many men in administrative positions who are anxious to get overseas. We hear the criticism that the men in the Jackson building, in the Lisgar building or at command headquarters have soft jobs, but I would say to those critics that there is not one officer

in an administrative position in the R.C.A.F. who is not anxious to get overseas. Unfortunately, it is impossible to send them all overseas. In conclusion, I want again to pay my tribute to the men and women of the R.C.A.F. who are doing such a real job.

Mr. MacNICOL: There is one matter I should like to take up with the minister. I have communicated about this matter with the Department of National Defence for Naval Services and the Department of National Defence for Air, but I have not been able to get any satisfaction. Last year a number of men in Toronto who were matriculants about to enter university enlisted, I presume in the R.A.F. They were sent overseas where they received some training in flying off ships; then they were sent back to Canada and then to the United States where they are now being trained. I know quite a number of these boys, and I believe they are to be sent to some city in the southern states where they will complete their training.

This matter may not come under the Minister of National Defence for Naval Services, although I cannot see any difference in the authority of the two departments, that is naval services and air in this connection. I should like to know if the minister who is now before the committee is able to state just what the present status of these boys is. After they are trained they will probably be sent overseas to fly off British aircraft carriers. I should like to know their relationship to the Canadian service and how it was they were enlisted by the Royal Air Force.

Mr. POWER: I do not know.

Mr. MacNICOL: Somebody must have some control over them. They are some of the brightest boys in the land.

Mr. POWER: Were they enlisted last year?

Mr. MacNICOL: Yes.

Mr. POWER: I do not know why they did not come to the R.C.A.F. recruiting office. Offices were opened all over the place.

Mr. MacNICOL: I brought the matter up in the house last year, but I have forgotten just what reply the minister made.

Mr. POWER: Exactly the same, I take it.

Mr. MacNICOL: Both the minister for air and the minister for naval services have to do with flying, that is if we either build or purchase aircraft carriers, and somebody should be responsible for the enlistment of these young men. I wish to know how these men are going to fit into Canadian service, if and when we have our own aircraft carriers. I suppose, when that day comes, they will be brought back from the imperial to the Canadian service. I have spoken to quite a number of them and they told me they would like to fly off Canadian carriers. Apparently somebody came from England to recruit these boys, although I do not know. How was it they got into the British service instead of the Canadian service? They should be given all the rights and privileges of Canadians. They are Canadians, but it just happens that they are engaged in training with the R.A.F. I have not the right term for their service.

Mr. MACDONALD (Kingston City): The fleet air arm.

Mr. MacNICOL: This may not be under the minister's jurisdiction—I notice he shakes his head—so that there may not be much use in pursuing this any further now.

Mr. MACDONALD (Kingston City): I am going to make a statement on that point when my estimates are up.

Mr. MacNICOL: Thank you very much. This matter is important to the fathers and relatives of these young men. Apparently they have been enlisted in the fleet air arm without the knowledge of our own military officials. They are all young men; I doubt if any were over eighteen years of age. It may be that their university professors or their schoolteachers invited them to do this, but I do not know.

A lot has been said about the affairs of the minister's department. I wish to compliment the minister. I am always amused at the minister. If he is wrong, he is ready to make open confession. When he says "Well, I made a mistake", what can you do with him? When he admits he has made a mistake we just have to pass his estimates. That is one of the things that has enabled the minister to get his estimates through so easily. He is always frank with us. Even if he has not made an error and we think he has, he will rise in his place and say, "I did it". What can you do with a man like that? It is a happy disposition to have, and he deserves a great deal of praise for a disposition like that. He has been an excellent minister. May I also compliment the hon. member for Spadina, the hon. member for Greenwood, and others with whose names or constituencies I am not so familiar, upon the excellent service they have rendered in the positions in which they are placed during the present war. They have denied themselves the splendid company of this house, which they would probably much prefer to the hot

offices they occupy at Trenton and elsewhere. The hon. member for Spadina was generous in his tribute to the various branches of the air service, and I endorse every word he said in praise of the aircrews, groundcrews and all others engaged in the camps throughout the country. I would express my personal appreciation of the services he has rendered to the country, together with the hon. member for Greenwood and others who have given up a good deal to serve the common cause this year.

Mr. McIVOR: I have another question to ask. As I listened to the minister and to other speakers on this side of the house, I was wondering whether it would not be possible to send copies of *Hansard* containing their speeches to the men who are doing things "over there". I recognize the necessity of conserving shipping for food, but surely the *Hansard* which contains this debate can be classed as food for thought, and might very well be distributed to the various officers' and sergeants' messes and the dry canteens.

Mr. NOSEWORTHY: When the hon. member who has just taken his seat was speaking, someone suggested that if *Hansard* were to be sent overseas the Cooperative Commonwealth Federation should be mentioned in it.

Mr. MacNICOL: Well, that certainly will not improve *Hansard.*

Mr. CRUICKSHANK: The troops like to be amused.

Mr. NOSEWORTHY: I was especially interested in the minister's department, the Royal Canadian Air Force. For four years before coming to this house I watched each spring the very cream of our graduating class of the school from which I come joining the air force. That school has now one thousand of its graduates in the forces. By far the majority of them are in the air force; and as I hear from a considerable number of those boys from time to time, I am particularly delighted with the statements made by the minister this afternoon. I join with others in congratulating him upon the force which he has succeeded in building up and in the contribution which that force has made to the cause of democracy.

The minister is asking in these estimates for something more than one billion dollars for the air force. I am confident there is no hon. member who will criticize that expenditure on behalf of that force, particularly that part of the estimates pertaining to pay and allowances, to personnel supplies, or any other provision which touches the lives of the men and women in the force. As a matter of fact, I am sure the committee would be prepared to increase that amount had the minister asked for more and the country would support us in voting a still larger amount than that for which the minister asked. Had the minister asked for an additional amount to reduce the transportation costs of travelling expenses of the men going to and from leave, as hon. members have already suggested, I am confident that the money would have been voted. Had he chosen to increase the amount in order that the leave granted might be exclusive of the days occupied in travelling to and from home, I am confident we would have voted that amount. Had he chosen to provide in these estimates money which would permit those of the groundcrews serving in England and overseas and others to be given leave of absence to visit their homes after absence from home for years, that, too, would have been forthcoming.

I should like to refer for a moment to what the minister had to say regarding the question of rehabilitation. He very properly called attention to the difficulty which would arise and the problems which would have to be confronted after the war, particularly if those boys were to be kept in uniform and in barracks and given continued drill and training after they returned from the war. That may be true, but I wish to emphasize the fact that, regardless of when these men may be discharged, there should be no period between the time of their return and the time of their rehabilitation in civil life when they should receive less than they are now receiving in pay and allowances. I am quite confident that this country does not expect those men who have served so valiantly to spend a long interval between the time of their return to Canada and the time of their rehabilitation on a mere pittance or on any pay less than that which they are receiving for pay and allowance while in the service.

I was pleased to hear the reference of the minister to education. Certainly there is no branch of the service which would be more concerned with the educational opportunities that are offered them after the war than those who are in the air force. These young people—for the most part they are boys and girls—went into the air force, as I mentioned before, from high school, from college. Thousands of them had not completed their education. Thousands of them would have proceeded from high school to university had times been normal. Many of them found their studies interrupted in the midst of their university course. Others, probably, had just

begun their high school course, having been for various reasons late in getting through. I suggest that every possible means be taken to furnish these youth with education for whatever career they choose to follow on their return from the war. We should be particularly careful that the regulations are not too restrictive. The regulations must be so elastic and broad that any man—and the same applies to women—returning from the R.C.A.F. will receive assistance in making up for the time he has lost in gaining or completing his education. On that matter I am not yet quite clear whether the provisions we have made for educational opportunities for Canadians who have enlisted in the Canadian forces will be equally available to those serving in the British army and the Royal Air Force. I am thinking particularly of the boys who enlisted in the R.A.F. in days before the R.C.A.F. could take them, the days before the war, and I am not certain whether the educational opportunities we have provided for the men returning from the war will be available in all cases to those who enlisted earlier in the R.A.F. The minister himself was not quite certain a year ago when this question was under discussion, and it is one of the points on which I should like to have him make a statement at this time.

There are one or two other matters I would call to the minister's attention. I presume item No. 1 is the item on which they can be brought up. I am not sure whether the minister has any connection with the wartime bureau of technical personnel. I suppose all three branches of the force are concerned with that bureau. This is what I have in mind. I know personally a considerable number of young men who are science graduates of a year ago. These men are held responsible to that wartime bureau. They have tried to enlist and some of them have had preliminary training for the air force. They tried to enlist as aircrew. They are physically fit and in every way suitable, but they cannot be taken as aircrew except as technical personnel, and apparently there are no positions of that kind vacant. Consequently they are now serving around in various industrial plants at the beck and call of the bureau. The strange thing is that while these same men cannot enlist in either army, navy or air force, they are subject to draft and have been drafted, and they have had to apply, or their employers have had to apply for deferment for them. It seems a strange situation where men specially trained as graduates in science are willing or anxious to enlist in the air force or the army, are no permitted to enlist, and yet they are liable to draft and every six months must get deferment granted. Moreover, I am told that they must stay where they are. They dare not inquire about finding another position, no matter how small the pay may be in the job in which they are placed. There is a $500 fine, I am told, if they are caught looking for another job that may improve their position. There is a $500 fine, I am told, for the employer who tries to employ them. I have seen letters from the bureau to that effect. I presume the minister and his department are interested inasmuch as some of these are air force personnel or have had air force training.

There is one other matter. I have a letter from a boy whom I taught before he went into the air force and who is now in service with the R.A.F. in India. In his letter he tells me:

> We single Canadians now stationed in India are required to do four years out here and our service overseas in Britain does not count. The four years is the normal Indian tour of duty for all single R.A.F. personnel. This is not right, and we are very much dissatisfied about it. As far as we are concerned out here, any advantages except pay that may come from being a member of the Canadian forces are null and void.

I submit these suggestions to the minister and trust that when he has information he will make a statement.

Mr. GILLIS: My remarks will be brief because I understand it is the minister's intention to follow the same procedure with respect to his estimates that was followed by the Minister of National Defence for the army. In the estimates we have before us there is ample opportunity to question the minister on any specific matter we have in mind that requires an answer, and feeling that that is the most expeditious way of carrying on the debate I intend to refrain from mentioning a lot of matters about which we may later on question the minister.

I join with those who pay tribute to the minister for the efficient and effective way he placed his estimates before the committee.

The leader of the opposition a few moments ago thought the minister was very cooperative and complimented him along those lines. I believe the reverse is true. I think the minister anticipated about everything that the leader of the opposition or anyone else might have in mind by way of criticism and threw the ball over here for answer. That is exactly the way I see it. He posed every question that one might be thinking of and invited the opposition to give him the answers.

Mr. POWER: Is that the right or the wrong thing to do?

Mr. GILLIS: That is the right thing.

Mr. GRAYDON: He knew where to look for the right answer.

Mr. GILLIS: I appreciate the course followed by the minister. He quite frankly placed the matter in the hands of those who might have suggestions to offer.

I appreciate also his remarks with respect to the question of repatriation or rehabilitation, whichever one likes to call it, or demobilization. There are many questions that people will have to ask themselves and a great deal of serious thinking to be done. Two things struck me with regard to the minister's address. The first was his very frank approach to the question of what the boys should expect from Canada when the war is over. He emphasized, and rightly so, the fact that the war is not an end in itself. I, along with many others, hope that it is the end of something. I hope it is the end of unemployment, exploitation and misery such as we had in the years preceding the war. I hope it is the beginning, when the war is over, by the people of Canada, along with those who are overseas in the fighting forces, of building a better world on this continent. I trust that some members of the government are thinking along the lines of the expression of the minister with regard to that particular angle. I think he very rightly wound up his address on a note stressing the seriousness of the situation and the necessity for serious thinking.

When the estimates of the Minister of National Defence were up I expressed my opinions rather fully on matters pertaining to demobilization and rehabilitation. The mechanics that I outlined for the army would apply equally to the air force, and I am not going to take up the time of the committee by repeating them. I was pleased to hear the minister for air announce that the young Canadian personnel in the R.A.F. were to be given an opportunity of transferring to the R.C.A.F. He did not say how that was to be done or what one would have to go through in order to make that transfer possible. I suppose he will do so during the question period; but there is an angle to that particular group in the service to which no one has referred up to date, and I should like to focus the minister's attention on it. I think he stated that there were approximately 2,000 Canadian personnel in the R.A.F.

Mr. POWER: That is only a guess.

Mr. GILLIS: Yes, approximately. Many of those are boys who went to England in 1937, 1938 and 1939 because they could not get jobs in this country and therefore went into the R.A.F. as Canadians. During their period of service in the R.A.F. they are subject to income tax. A pilot officer, for example, is paid approximately $120 a month in Canadian money. Out of that he has to pay approximately $35 in income tax. These young men have been paying that all during their period of service with the R.A.F. United States personnel serving in the R.A.F. were also subject to that income tax for, I believe, a couple of years. They were successful in having it eliminated and in having returned to them all the money that they had paid in income tax up until such time as they received exemption. Before these young men are finally transferred to the R.C.A.F. I hope that that particular angle will be given consideration. I believe that these boys have a right to expect the same treatment in the matter of transfer and in the matter of return of income tax paid to the British government during their period of service as the Americans received.

There are many angles to the money side of it, but I am not going to go into them now, because I think every member of the committee is familiar with them. There is the matter of dependents' allowance. There is the matter of differential in rates. The one point I should like to focus the minister's attention on is income tax. I reiterate, I think these boys have a right to a return of the income tax that they paid during their period in the service. Another point that the minister made and that I should like to comment on briefly is the fear he stressed that when the war is over, boys returning from the services may come back with their minds focused on themselves individually, with the complex built up in their minds that the first back is the first on the job; get what you can for yourself regardless of what happens to the fellow who is coming behind. I believe the minister is quite correct in assuming that perhaps that will be the situation.

Under present conditions there are not many prospects for those in the service coming back, and the natural tendency is to recognize that and to try to do something for themselves. In connection with that very fear the minister expressed the opinion that it was wrong to keep them in uniform when they come back. He likened the situation to the last war, and of course made the observation that there was quite a difference in attitude and opinion to-day because of the changes made since the last war. I agree with him in most of his remarks, but I make one exception. I have expressed the opinion time and time again and I wish to reiterate it now. Because of the

situation that exists in Canada to-day, with the lack of planning to absorb the service personnel returning and the million of war workers in war industries that will be closed, and without any opportunity of finding employment for a large percentage of them, I think it would be wrong to take the army, the air force and the navy back and to discharge them to civilian life, route them through the channels of selective service, unemployment service and the civilian agencies that are being built up. Because of that situation the very fear that the minister expresses is the one we shall have to face. The proper thing to do in a situation that we all fear along with the minister is to guarantee to the returning personnel not the relief that is paid now—because $14.20 a week to a married man or $10.20 to a single person is relief in the final analysis; it lasts for only a certain number of months and the mechanics of getting it are not very easy through welfare agencies, selective service, unemployment insurance, and so forth; there is a lot of discontent wrapped up in these regulations, although they look all right on paper—but something more definite.

I stated in my remarks on the navy estimates that I thought the camps which are established in Canada should be fully utilized in the demobilization period. Instead of bringing the service personnel back to where there is no possibility of work for them, discharging them and sending them across the country, breaking up as it were the units that were formed overseas, units that fought together and will work cooperatively together as a unit if they are kept together, we should keep them together. If they are discharged and sent throughout the country an individualistic spirit will be bred among them, and they will be made the prey of any demagogue who comes along, waves a flag and tells them that he has a solution. I believe if they were brought back, placed in their camps and the educational machinery we have to-day utilized while they are in uniform in camps—and I would not have them drilled and booted around on the parade ground and required to salute every second officer they meet and all that kind of stuff—and routed back to gainful employment in teams in order that they might be able to work their way back to civil life, there would be no need to fear that which the minister expressed. I do not think the fear of the individualistic selfish spirit being bred can be avoided in any other way.

I merely leave this thought with the minister; I elaborated upon it when the army estimates were under consideration. Unless drastic changes are made in the structure of society in Canada; unless greater employment opportunity than we can see now is provided for those coming out of the service, we shall have discontent and strife and everything that goes with it. Every care will have to be taken in the demobilization period to see that those now in the services are at least kept on the same basis of pay that they are receiving at the present time. You cannot take a man who has an income of $130 or $150 a month, drop him down to $14.20 a week, give him a suit of civilian clothes, send him out to look for a job, and then expect him to be at all happy or proud of himself after the contribution he has made to the cause of his country. I think in all three branches of the service men are making their maximum contribution in the work for which they have the greatest aptitude. I believe that in rebuilding Canada, if we are to get the support of those now in the services we shall have to do everything in our power to make this period of reconstruction just as glamorous as we made the fighting during the war. Otherwise, we shall not be able to interest the boys who are in the service to-day and who will be coming back from the excitement of war and everything that goes with it, whom we shall expect to settle down to the humdrum job of just working out an existence in Canada. We have to start rebuilding Canada, making it the kind of country that those in the service believe they are fighting for, and it seems to me the best way to do that is to have the teams which are fighting the war together kept together for instructional purposes, educated and sent out to do jobs which will provide them with a livelihood for themselves and their families. And this must be done before they leave the service, before they are sent out into a hard, cruel world to look after themselves.

Another classification was mentioned by the minister; I refer to the radio mechanics. The minister emphasized their position, scattered all over the globe, working alone or in groups of two or three. In regard to these men there is a complaint I have heard, though I do not know whether it is justified; the minister should know. In his remarks he stated that these mechanics are largely isolated and are attached to the R.A.F., but that the responsibility for their pay, promotions and so on rests with the Canadian government. The complaint I hear in regard to these men is that in the matter of promotion, while a large number of them are classified as non-commissioned officers they are merely shadow N.C.O.'s, in that they merely receive the pay of a leading aircraftman even after years of

service. If that is so, I think the minister should try to rectify that situation, because these men are making quite a sacrifice in carrying on their work.

There are many other questions in which I am interested, but I think I shall reserve any further discussion until the specific items are under consideration.

Mr. DIEFENBAKER: I do not intend this evening to enter into a lengthy discussion of the various matters which were dealt with by the minister, since they can be discussed fully when the individual items are considered by the committee. Suffice it to say that all members of this house felt the same pride that was exhibited by the minister in his recital of the activities of the Royal Canadian Air Force. But while we are all appreciative of what is being done, more than ever it is necessary to keep in mind the things that have not been done, to the end that when the period of rehabilitation comes along we may assure those who have served that they will have a job and an opportunity in life. In other words, we as a nation must remember the sacrifices that have been made, and must be firm in our determination to see that those who served are assured of certainty of occupation when they return. As the minister spoke with pride of the work being done by the air force he mentioned three outstanding young men who were being considered to carry on the work of rehabilitation. At the time I thought of one young man from my own constituency who in less than one year of service rose from the rank of sergeant-pilot to that of wing commander, and who to-day commands one of the outstanding squadrons in Britain.

In considering what should be done in the post-war period we must bear in mind that many young men who are serving in the air force to-day look forward to an opportunity to take part in the greater air development that will take place after the war is over. If one asks air personnel what they intend to do after the war, invariably the reply is that if they have the opportunity they would like to continue in the air force or in civil aviation. If there is one thing in which we in this house and we in Canada have been remiss it has been in our failure to discuss, in regard to the rehabilitation of our men and the future position of Canada itself, the formation of a great international transport system which will give these men an opportunity to serve when the war is over. Only a few weeks ago Mr. Ralph P. Bell, director-general of aircraft production, stated that in relation to our population we shall come out of this war with the largest proportion of trained airmen of any allied nation. What are we to do with these men; what opportunity are they to have to serve in the great air transport systems of the future The other day the minister outlined something of the policy of this department with reference to the Alaska air lines. International air lines were referred to by the Prime Minister in an address he delivered about a year ago; but we in this country have no wide and comprehensive picture of the post-war air development that will take place, and what will be the position of Canada in regard thereto. Now that we are considering the rehabilitation of these airmen after the war, I think the time has come for a frank explanation by the minister in charge of that department, giving this committee and the country a recital of what took place at the great conference which was held in England last October and telling us something of Canada's plans for the future. Shall Canada's air scheme be an international one, under an international board? Shall Canada participate with the other nations of the empire in a vast empire air scheme, with the cooperation of the United States? These matters, more important than any others as far as the rehabilitation of the men in the air force is concerned, have remained the secret of the government, if the government has a policy with respect thereto. In order to give hon. members an opportunity to discuss the post-war rehabilitation of those discharged from the air force, the minister should at the earliest possible date, and before this debate on his estimates is concluded, make a statement as to what took place at the conference, in so far as it can be revealed, a picture of the stand Canada intends to take, a recital of such post-war plans as have been made with regard to aircraft production after the war, the continuation of the industry in Canada and the utilization of the man-power now in the air force, when discharged, so that we shall be in a position to discuss these matters.

The air future of Canada and the empire has been kept under lock and key by the government. We have had only piecemeal recitals. We had the statement of the Prime Minister, and a few days ago a further statement of the Minister of Munitions and Supply. But we have not yet had a picture of the stand Canada intends to take. By their agreements, Australia and New Zealand have indicated to the world the stand they intend to take. An opportunity is thereby given to men who serve in the air force to make plans now for a continuation in that service after the war.

I should like to secure from the minister—and I think the minister for air could give it—a statement showing the numbers to-day in the air force who may reasonably expect to be absorbed in civilian aviation after the war.

Mr. POWER: I do not know.

Mr. DIEFENBAKER: The minister says he does not know.

Mr. POWER: It is not my business. I am a war minister; I have nothing to do with civil aviation. The Minister of Transport is in charge of that. Ask the Minister of Transport, on his estimates—not me, on mine.

Mr. DIEFENBAKER: But I thought there would be cooperation between the ministers in the matter of rehabilitation?

Mr. POWER: But I do not speak for him.

Mr. HOWE: We are taking the departments one at a time. I shall be very glad to cover the point to which my hon. friend has referred, when we are discussing the estimates of my department.

Mr. DIEFENBAKER: While this matter does not come strictly within the department of the Minister of National Defence for Air, would he not consider giving a statement during the present discussion so that, in so far as the rehabilitation of men in the air force is concerned, we could discuss the matter as an entity? The minister for air discussed the matter of rehabilitation.

Mr. POWER: Saying that it was not his business and pointing out that rehabilitation was entirely the business of the Department of Pensions and National Health. It is not that of the minister for air.

Mr. DIEFENBAKER: I appreciate that. Nevertheless, interested as he is in the welfare of those who serve—and no one has exhibited a greater interest—I am sure the Minister of National Defence for Air would welcome a discussion of this subject so vitally in need of consideration at the present time.

With reference particularly to the minister's department, I should like to secure from him a statement respecting elementary flying training schools, and whether it is the intention of the government to continue that system. Will he tell the committee whether any changes have taken place in the past year with respect to the administration of the elementary flying training schools, and the matter of profits now being received by civilian shareholders and, generally, make a statement as to whether or not the present system will be continued after the war?

While the minister says that the matter of rehabilitation does not come strictly within his department, may I point out that I have received complaints from two or three young men, sergeant-pilots who have been invalided home to Canada, and have made requests for pensions based on the wounds they have received. One of their complaints is that if, upon discharge, their rank is that of sergeant, flight sergeant or warrant officer class 1, they are paid a pension on the basis of their original substantive rank, namely AC-2. I have heard that complaint raised several times, and it is generally believed that such is the condition.

Mr. POWER: Would my hon. friend repeat that? I am rather puzzled by what he has said.

Mr. DIEFENBAKER: It has been pointed out that in deciding the question of pension, pension is paid not on the basis of the rank held at the time of discharge but on the original substantive rank of AC-2, at which the airman entered the air force.

Mr. POWER: Then they must have changed the Pension Act since I had anything to do with it.

Mr. DIEFENBAKER: I mention the matter because it has been raised on two or three occasions.

Mr. POWER: I had something to do with the phrasing of the original section in the act, and I know that formerly it read that a pension would be paid on the rank or acting rank held by the applicant at the time the disability occurred. However, that may have been changed since I had anything to do with it.

Mr. DIEFENBAKER: That is perfectly true; these men raise the objection that that is not being carried out.

Mr. POWER: If my hon. friend will give me the names I shall pass them on to the Minister of Pensions and National Health.

Mr. GRAYDON: Perhaps the Minister of Pensions and National Health will answer now?

Mr. ISNOR: Before asking the minister to answer some questions I intend to ask, may I join with other hon. members who have paid tribute to him for his thorough and informative presentation of the activities of the Royal Canadian Air Force. He and those associated with him in the administration of his department have been paid high compliments.

Coming from Halifax on the Atlantic coast, and meeting large numbers of the personnel of the air force, instead of giving all credit to the minister and those associated with him in Ottawa may I pay tribute to those in charge of the eastern air command on the Atlantic coast. I include not only the officers, but also men of all ranks who comprise such units as

the eastern air command, eastern passage, Y depot and other units stationed along the east coast. We in Halifax appreciate the splendid conduct of the men carrying out their duties on our sea coast.

Would the minister advise the committee as to why it is necessary to transfer Y-1 depot from Halifax to Lachine, Quebec? I realize that there is a shortage of housing accommodation in Halifax. I understand that the reason given was that it was found necessary to provide quarters for the navy. However, I am somewhat doubtful whether the desired results were brought about by the transfer, and I am concerned as to whether the good accomplished equalled the inconvenience and loss to the R.C.A.F., as far as the quartering of men is concerned. The Y depot was an embarkation depot. Men were sent from all parts of Canada to Halifax so as to be ready, on short notice, to go aboard ships and sail overseas. I understand that many of these men are now being sent overseas through United States ports. If such is the case, I should like to know if the transportation facilities provided by those ports are as efficient as those provided under the former arrangement. Perhaps the minister can tell me if there is any truth in this. A most efficient organization, known as No. 1 post-transit unit, was set up, and the movement of R.C.A.F. personnel has been looked after in a most efficient way.

The hon. member for Cape Breton South referred to the lack of planning to take care of the members of the R.C.A.F. and other services on demobilization. I do not know whether the hon. member intended to, but he implied that in so far as the R.C.A.F. was concerned no steps were being taken to take care of its men when demobilized. If there is one branch of our defence services which has planned for rehabilitation, it is the R.C.A.F. It has what is known as an auxiliary service, which in turn has created service counsellors. These men have gathered something like 40,000 men together, and they are being given instruction in various trades in order to fit themselves for jobs when they are demobilized and enter civil life. I mention this to offset any misunderstanding which may be created by what has been said by the hon. member. It may not have been his intention to create any such impression, but so often members of the Cooperative Commonwealth Federation are ready to sow seeds of dissatisfaction and discontent. That does not help the government or the country in efforts to plan successfully for post-war needs.

Mr. GILLIS: We admit that the R.C.A.F. are doing what they can to fit their men for jobs when they leave the service, but can my hon. friend tell me where they are to get those jobs? That is what I had in mind.

Mr. ISNOR: Statements such as that create a feeling of distress in the minds of the men now in the service; that is what happens when they feel that no plans are being made to take care of them. I am hopeful, and I think the hon. member for Cape Breton South is hopeful, that every one of these men will be taken care of. As I say, elaborate plans are under way to provide jobs or places for them in our social economy, and this applies to men in all branches of the service. I should like the minister to advise us more fully as to what studies are being carried on and what instructions are being given to teach men various trades in order to fit them into civil life after they are demobilized. Perhaps the minister could tell us also what cooperation there is between his particular branch and the other two branches of the armed service, the navy and the army.

I have received a letter in connection with transatlantic and middle east airmail service. I do not know whether the statement made by the Postmaster General the other evening covers this matter, but apparently it did not satisfy this particular person who feels that the airmail service to R.C.A.F. overseas personnel is not as quick as it should be. I desire to join with other hon. members in offering my congratulations to the minister upon the able manner in which he has administered his department. I believe he will be able to answer to my satisfaction and to that of the hon. member for Cape Breton South any questions we may have as to plans that are under way to provide instruction to these men so that they may take their rightful places in our social economy at the end of the war.

Mr. HARRIS (Danforth): In common with other hon. members of this committee I appreciate the manner in which the minister has handled the many difficult problems of his department. However, as kindly as I can I must say to the minister that the Canadian people have not received from him the type of statement which would engender confidence in their minds as well as in the minds of our forces overseas. As I listened to the statements being made, I could not help contrasting what we get in this chamber and what emanates from the Prime Minister of Great Britain in that chamber which is so close to the scene of action.

I appreciate what the minister and his department are doing; but when he replies to the many suggestions which have been made I should like him to give us a few minutes of inspiration or guidance in order to lift the Canadian people out of a frame of mind into which they are slipping, namely, apathy, complacency and perhaps the thought that the war is won already when, in my opinion, we are a long way from winning the war. Many lives will be saved and less blood will be shed if we pursue the conduct of this war with more industry and diligence and attention instead of giving a major portion of our attention to worthwhile things such as rehabilitation, reconstruction and other matters which are so necessary. It is true that they have their place, but while this war is on let us prosecute it to the limit.

Let us have a few more Churchillian statements emanating from the minister who is to-day charged with the responsibility of one of the most important departments of war. He is able to do this, and by doing it he would inspire our own people and in turn inspire the boys who are serving us so valiantly. Abroad is the statement that recruiting has slackened down. That may give a little comfort here and there to our people, but the measure of comfort it will give to the enemy is, to my mind, a serious matter. I would not for a moment admit that we are slackening in any phase of our war effort. I would say that we are pursuing it more rigorously than we ever pursued it before, and that by so doing we shall reach victory that much more quickly than by any other means. Nothing will strike the fear of God into the hearts of the enemy more than—the old fashioned term of "an all-out war effort" is perhaps the best term we can use—a vigorous prosecution of our effort. Let there be no complacency, no apathy, no slackening of our recruiting, no less money spent on our war effort, but more and more, everything we can give to get this job over as quickly as possible. That is the policy on which I should like the minister to dilate when he comes to answer the questions which have been brought forward. We all admire his disarming methods when he introduces his estimates. We all admire the tact, the skill, the judgment with which he handles himself in this chamber. So much, so good.

But there is a war on; let us realize that. We are now in the south part of Italy, up on a beach-head. Let us search our hearts and seriously ponder what measure of success we have really had. A letter to which I am now replying said a few short weeks ago, "We will be in Rome in two weeks". We are not in Rome yet. God forbid that we should have another Dunkirk beach-head. We are certain there will not be another Dunkirk there. But a policy which spends the time of 245 men in this chamber and engages the attention of 11,000,000 people at this time on reconstruction and rehabilitation and all these issues which we are capable of taking care of in due course, is not the kind of thing which should now engage our attention. And I ask the minister, when he makes his reply and deals with this most important section of our war effort, to give us not only something which we can cheer for but something which will inspire us to do what we, the Canadian people, represented in twenty-five per cent of the air force, are willing to do on behalf of the allied nations to bring this war to a conclusion much more rapidly than it is being brought to a conclusion now. I entreat the Minister of Pensions and National Health, with whom the minister for air is now conferring, and who knows, from experience with citizens in Canada who are charged with responsibility of trying to do something for the rehabilitation of those who are brought back to us, in reconstruction, and in all these other matters, to recognize that the Canadian people will rise on the proper day in their might and look after these problems. In the meantime, however, I ask the cabinet, and particularly the minister who now has the floor, to address themselves to a problem from which I cannot shake myself free, namely, that we have not won this war and must give attention to its prosecution. Let them say things in this chamber which will echo across the civilized world, assuring the other nations that we, the virile Canadian people, are going "all out" to finish this job first, and that we may be depended upon to look after these other matters when the time comes.

Mr. MUTCH: If I have a word or two to address to the minister to-night, I would first wish to say that we who know something of his organizing ability and his humanity believe that if he will continue to devote his attention to his duties rather than compete with the Prime Minister of Great Britain with respect to oratory, as far as the services are concerned we shall feel just as comfortable.

Mr. FRASER (Peterborough West): That is a wonderful statement!

Mr. MUTCH: A sensible one, I think. That does not necessarily make it unique in this company. I am concerned to point out to the committee, and to the minister, that if the air force is showing a slackening in expenditures, or if there may be, or may have been, suggestions that there is some lessening of recruitment because they have now reached their general level and are thinking in terms

of replacements, this does not necessarily mean that either the youth of Canada or the government of Canada are slackening in their war effort.

All of us hope and some apparently believe that we are at least within two years of the end of the war. If so, I should like to suggest to the minister that it is important to consider, when a young man offers himself for service at this time, where he is most likely to be useful. If, as has been said, a man entering aircrew at the present time cannot hope to be ready for action in service before two years, then there are other branches of the service where he can be made effective in a very much shorter time, half that time, at any rate, and, under circumstances which might easily prevail, very much less.

There is danger in pointing to the size of an estimate or the position of enlistments in one branch of the service as though it indicated a slackening of the war effort of the people. I have seen something across this country and abroad, of the war effort of the people of Canada, and it ill becomes anyone in this chamber to suggest there is any slackening off because of such adjustments. The other branches of the service have suffered to some extent in personnel because it has been a matter of policy to encourage many of the very best youth of this country to go into one of the most difficult and courageous tasks there is. If at the present time or if at any time in the future the minister anticipates a period when his reserves are likely to exceed what he requires without what one might call a "scraping the barrel," the other services will be glad to have the services of those people and to avail themselves of their desire to serve.

I had an opportunity of spending a few days with some of the Canadians in the Royal Canadian Air Force who are flying and fighting in the British isles. There is no reason, other than admiration, why I should pay any particular compliment to them, except that, coming from another branch of the service, it has a note of sincerity and may have the merit of being a little unusual. All the time I was away I never ceased to be proud that I was a Canadian. I do not think I ever felt prouder of it than when I spent a few days with a bomber squadron of the Royal Canadian Air Force and saw the boys who are nightly doing the fighting, and realized the way they are regarded by the people of England. I do not think these boys will feel that they are being let down if the minister continues to support them with organization, with reinforcements and with supplies and leaves to others the oratorical effort.

Mr. BENCE: The minister spent some time in discussing the matter of rehabilitation, and I wish to say a few words in connection with one particular phase which I believe should receive more careful consideration than any other. It is true that our men of the aircrew who will be returning to civilian life will be faced with many difficult problems, and the minister and his colleague, the Minister of Pensions and National Health, will find that these problems will not be easy of solution. There are, however, a number of these young men who will be returning from the prison camps of Germany after peace has come, and who will be a much more difficult problem than those returning from active aircrew service. After all they will have spent two or three or four years in German camps, during which time they will not have been leading an active life, and they will have been almost completely out of contact with the world. They will, therefore, have developed an outlook on life which will tend to prevent them from making ready adjustments on their return. Those who have studied the position that ensued after the last war realize that these men will be particularly sensitive and will have to be carefully and delicately handled when they return. I suggest, therefore, that their position should receive special consideration and the attention of the best experts, psychologists, and psychiatrists who can be found in the country.

On the point of prisoners of war, I would also request that the strong support of the minister be given in an endeavour to see that the number of next-of-kin parcels for overseas is increased. I know that a limit was imposed owing to transportation difficulties, but that limit was imposed during the days when the battle of the Atlantic had been by no means won, when shipping losses were great, and when the means of sending parcels overseas were greatly restricted. Conditions are now improved so far as that phase is concerned, and this is one of the first things we should do with the extra transport facilities available, because it is a well known fact, not only from messages received from overseas but from information gathered from men who have been repatriated from prison camps, that the thing that is keeping our boys alive in those camps to-day and preventing them from suffering from bad nutritional deficiencies, is the receipt of Red Cross and next-of-kin parcels. That point, therefore, should receive far greater attention than it is receiving at the present time.

May I say a brief word about the matter of cutting down of training camps. The minister did not volunteer any information, at least

I did not notice any, as to why recruiting is being cut down. I noticed in the press that they are going to establish a new level of training. According to the Canadian Press of February 26 it was stated that the intake of aircrew had been temporarily slowed down but would shortly be reestablished at a new level. The minister should give more information in that regard. He should give us some indication as to the reasons why these training centres are being cut out; and if it is not transgressing on security policy, some indication should be given of the speed with which they will be closed.

In that connection, I make this suggestion to the minister. He gave some reasons on February 29 as to the factors that will be considered in the cutting down of schools. There is one factor which I would impress upon him, and it is one to which I referred the other day. I have been endeavouring in my own way to impress it on the ministry ever since I came here. More attention should be given the question of congestion. The point was raised in the house yesterday by the hon. member for York-Sunbury (Mr. Hanson), that in Ottawa there was no room for fifty aircrew who are here for the purpose of being trained, and that the conditions under which they are living are not satisfactory. Surely a city like Ottawa is the first place that should be cut out from the point of view of air training stations, because there are less congested areas particularly in the province from which I come.

Probably the minister will bear me out that it is one of the best provinces as far as the training of aircrew is concerned. They have ample space for flying, little difficulty as regards fog; there are no mountains in the way, and in addition to that we are in a position to accommodate aircrew better than some centres which are congested, such as Ottawa. I know it is easy to say these things, but it is a little difficult to impress this upon people in this part of Canada—and I do not say this in order to make any reflection. The attitude of mind I have run into, however, is this. Most of the permanent air force have lived here the greater part of their lives. They have lived in this part of the country; they have spent their time in Ottawa and in various large centres in the middle section of Canada, and they have not been in Saskatchewan or Alberta.

Mr. POWER: High River, Alberta, was one of the original stations for the permanent air force and I understand it was a very good one.

[Mr. Bence.]

Mr. BENCE: I am talking about the people who are guiding policy. Most of them come from this part of the country, and naturally they think of this part of the country when it comes to establishing stations. Let me give an example. I was discussing the matter with a friend of mine from western Canada. He is in the air force, and he was listening in on a conversation that had to do with the establishment of a place for storage in connection with the air force. The people who had the say canvassed the situation, and they said there was no room in Ottawa but they might try Windsor, Hamilton, Montreal or some other places. This man said to them, "Did you ever think there are places in the prairies?" It did not occur to these particular individuals to go that far.

Mr. POWER: You do not make enough noise, you people from the west.

Mr. BENCE: We are finding that it is necessary to bring these things to the attention of the house, and they are quite reasonable. I am going to keep plugging away at it until I get some satisfaction.

There is one point on which I think the committee and the country are entitled to a little more information in connection with the policy of the air force. It was recently announced that a number of high ranking air force officers were being retired. The minister referred to the matter the other day. Although I have no accurate information on the point, I believe that the ones being retired are practically all permanent air force men, and the impression was given the committee the other day that they are being retired because they are getting on in years and that they will be replaced by younger men. I would be the last to object to a policy of giving younger men an opportunity, but the information I have is that these men have been raised rapidly in rank in the last few years; that before they are retired they are advanced another rank, and that this has its influence on their pension. Many of them are being retired on a fairly substantial pension and some are as young as forty-eight and forty-nine. It seems to me that if they are available; if they are healthy and have the mental capacity and ability which enabled them to rise to the position they now occupy, they should not be retired on such pensions at this time when we need the services of all the trained men we have in the country. We simply cannot allow men of ability and men with their health and training to be retired at this particular time. I raise that point for

the minister's consideration, and I think that he should give us some information as to the number—I do not want particulars about individuals—of those men who have been retired and some idea of the ranks they hold, some idea of their capacity, their health, and an indication as to the amount of pensions they will be receiving in their respective ranks.

Mr. DOUGLAS (Weyburn): Most of the members of the committee have commended the minister for his very fine speech and commented on his happy facility of getting estimates through the committee.

Mr. MacNICOL: It is his good nature.

Mr. DOUGLAS (Weyburn): I think it is the minister's good nature and his very human approach. Because of his courtesy the minister has the faculty of making the committee feel that it is a joint effort; that this is not his war or the Liberal party's war. It is a national effort, and all the members and all the people of Canada have some part in discussing and putting forth their ideas with reference to it.

I wish to give an illustration of that. In my constituency there was a Royal Canadian Air Force flying station which was to be closed. At least, the rumour was that it was to be closed and many people were worried about it. As I say, there were all sorts of rumours going around. Some said it was going to be closed. Some said it was going to be torn down. I have never considered it to be my business to bother the minister about where he should build a flying station or whether he should close it or open it. I have considered that it was his business and that of the government. Entirely unsolicited from me the minister was kind enough to drop me a confidential letter telling me that the station was being disbanded but that another one was taking its place. That other station has since taken its place. It was a small matter.

Mr. POWER: I am afraid I spoke too quickly. There have been changes since.

Mr. DOUGLAS (Weyburn): May I point out to the minister that the station has been transferred. No. 8 service flying training school has taken the place of No. 41 service flying training school unless another change has taken place.

Mr. POWER: Another change has taken place since that letter was written, and it applies to a large number of places. I am not sure whether it applies to the one to which the hon. member has reference.

Mr. DOUGLAS (Weyburn): That does not alter the fact.

Mr. POWER: I will take my letter back now.

Mr. DOUGLAS (Weyburn): I do not want it taken back. I wish to express my appreciation of the minister's courtesy. It is something that some of the other ministers might well copy. In the early stage of the war, opposition members were somewhat in demand when victory loans came along and recruiting speeches had to be made; but as the war has progressed I have noticed that during victory loan campaigns and during some of the other campaigns that have been put on, opposition members have been left very severely alone. The government ministers get the very best kind of cooperation when they take the trouble to cooperate with the members of the different constituencies and give them the feeling that it is not a war effort on behalf of the Liberal party but a war effort on behalf of the Canadian people.

The minister has shown a very human and realistic approach to this problem of repatriation, demobilization and rehabilitation. I believe he does well to break that problem into three parts, because the parts are distinct and separate. First of all, there is the problem of bringing the men back to this country, the problem of repatriation; second, the problem of how and in what numbers and at what time they shall be returned to civil life, the problem of demobilization; and, third, the problem of reestablishing them in civil life.

The minister made at the end a stirring plea asking that we should not think entirely in materialistic terms but rather in the spiritual terms of national well-being. As we have trained these men to defend Canada we should now give them an opportunity to develop Canada. I should like to say to the minister that puts the ball right back on the government side of the house. After all, these men coming back cannot develop Canada unless those who control Canada, both in the business and in the political sense, give to these men the leadership which will be necessary if they are to develop Canada. Unless the government is prepared to lay down the plans which will be necessary and have them ready so that when these men come back there will be something definite for them to do, then we shall have a disillusioning experience indeed.

I cannot agree with the hon. member for Danforth who took the minister to task for dealing with this matter. I think we all believe that winning the war is most important and I think we all know the war is far from won. But I believe the minister is right when he recognizes that one of the fears that is

most dominant in the minds of the people of Canada and in the minds of the men and women in the service, is the fear of what will happen when the war is over. That is a totally different mental outlook from that of the last war. My father went to the last war. He went from a job into the army. Two days after he came out of the army he was back at his old job and in his old place again. As the minister stated, however, many of these men never had a job, or if they did have a job they still remember the periods when they walked the streets looking for a job. They have come out of a period of insecurity and unemployment and they are afraid of returning to it.

It seems to me that while the minister may say that you cannot solve this problem with a cliche, the government has the responsibility lying at its door. After repatriation and demobilization are dealt with the government has two responsibilities. The first is to train every one of these men to take his place in civilian life irrespective of what time that may take; second, to see to it that after he has been trained he is placed in a gainful occupation.

Mr. MACKENZIE (Vancouver Centre): We have been saying that for a year.

Mr. DOUGLAS (Weyburn): It has not been done for a year. It has not been done at all. The senior hon. member for Halifax said, when we were talking about having no plans, that there were extensive plans. Where are they? When we ask, "Where are they?", he says, "There are counselling committees set up." Of course, setting up committees to give counsel is not supplying jobs, but merely helping men to find the kind of job toward which they ought to go, and that is probably as far as the responsibility of this particular department of government goes; but it is not the full extent of the responsibility of the government. It has a much greater responsibility. The senior hon. member for Halifax should not confuse having employment offices with employment, no more than before the war setting up the unemployment insurance commission necessarily abolished unemployment. As I have already said, this government will have the responsibility of training these men, and of placing them either in private industry or, if there is no room in private industry, of having laid down careful plans for socially useful projects that will guarantee employment to every man whom they have trained.

Mr. MACKENZIE (Vancouver Centre): That is being done every day.

[Mr. T. C. Douglas.]

Mr. DOUGLAS (Weyburn): The minister says it is being done every day.

Mr. MACKENZIE (Vancouver Centre): Thousands and thousands.

Mr. DOUGLAS (Weyburn): In many instances it has not been done, as the minister knows very well. If it is being done every day, let me ask the minister what plans he is prepared to place before this house not to absorb a hundred men or five hundred men but to absorb half a million or three-quarters of a million men.

Mr. MACKENZIE (Vancouver Centre): I shall be glad to state them at the proper time.

Mr. DOUGLAS (Weyburn): I hope the minister will do so.

Mr. CRUICKSHANK: Will the hon. member understand it?

Mr. DOUGLAS (Weyburn): In connection with the task of training these men and placing them in gainful employment, I wish to ask the Minister of Defence for Air if any plans have yet been made as to the disposition of the airports? The minister knows there is talk of some of them being closed already. Are they to be sold? Are they to be leased or torn down? I wish to make a suggestion to the government that if they are going to train men—and they will probably have to train a quarter of a million or more men in this way—there is no better place to train them in various trades and occupations than in those airports. Many of them have dormitory accommodation for anywhere from a thousand to fifteen hundred men; they have workshops, hangars, recreation rooms and so on. Large groups of men could be placed in those airports on pay and allowances, as has been suggested already, there trained in various occupations and trades and later put into either private industry or the house building or rural electrification programmes sponsored by the federal, provincial and municipal governments. What disposition will be made of the airports, and what will be done with them in the rehabilitation period?

Mr. POWER: If the hon. gentleman will read my statement, at about page 1029 of *Hansard*, probably he will get the answer to his question. It is exactly along the line he has suggested.

Mr. DOUGLAS (Weyburn): Then I should like to support the suggestion advanced by the hon. member for Vancouver North in connection with groundcrew. I came into the chamber while the hon. member was speaking; I did not hear his statement, but I understand that he was considerably amazed and amused

by the comment I offered last year in regard to the Dieppe operation particularly, in view of the fact, he said, that my observations were based on a Cook's tour and some experience as a chaplain in the reserve army. I should like to tell the hon. gentleman that I have never been on a Cook's tour, and I have never been a chaplain in the reserve army or any other kind of chaplain. I only hope the rest of the information he gave the committee was more reliable than those two statements.

Mr. CRUICKSHANK: I shall be glad to convey the hon. member's message.

Mr. DOUGLAS (Weyburn): As a matter of fact, my observations on the Dieppe operation were the result of conversations with men who, like the hon. member for Vancouver North, have been overseas, men who were engaged in that operation.

Mr. CRUICKSHANK: The hon. member said he had been there.

Mr. DOUGLAS (Weyburn): I said I had visited there in 1936. My observations in 1943 were not based on my having been there in 1936; they were based on conversations with men who had been in the Dieppe operation. It may be interesting to the hon. member for Vancouver North—

Mr. WHITMAN: The hon. member is addressing the hon. member for Fraser Valley.

Mr. CRUICKSHANK: I am his parliamentary assistant.

Mr. DOUGLAS (Weyburn): I am not concerned with the remarks of the hon. member for Fraser Valley. It may interest the hon. member for Vancouver North to learn that the statement I made as a result of conversations with men who had been in the Dieppe operation coincided very closely with the statement made later by Lord Keyes, who had some slight knowledge of military operations when as Sir Roger Keyes he was in charge of the famous Zeebrugge operation.

However, I wanted to support the plea of the hon. member for Vancouver North with reference to R.C.A.F. men with R.A.F. squadrons, particularly men in groundcrew, in the matter of being given leave at the end of certain periods of time. I have received letters from men in Palestine, India, Ceylon and Africa, who have worked with R.A.F. squadrons and some of whom have been away for a considerable period of time. They have no immediate prospect of leave. Probably the minister knows better than anyone in this committee how much even the prospect of leave is a factor in maintaining a man's morale. Let me show the minister how it reacts on the civilian population. In the town in which I live, there was, as the minister knows, an R.A.F. station at which there were some twelve hundred R.A.F. men, a good many of them ground personnel. They were taken into the homes of the people of the community, who liked them very much. These men would say, "Well, as soon as my two years are up, of course I shall be sent back to England. We signed up here for two years." Our people would say, "Well, our boys are in England and in Africa, but we have no assurance that they will be back in two years." Many of them would ask me how it was that the R.A.F. boys could be so sure that they would go home in two years, while some of our boys had been over there since early in 1940 and we had no idea when they would be able to come back. So that I suggest to the minister that he has a real point there and that it would be a great thing if these men could know that after a definite period of service they would be allowed to return to Canada. I realize that there are all kinds of shipping difficulties which might make this impossible, but I would ask the minister to give this very serious consideration.

I wish to ask only one other question. As the minister knows, in other years I have raised the question of the extent to which the R.C.A.F. could be operated overseas as an individual unit. The minister told me two or three years ago that increasingly R.C.A.F. squadrons would be built up, and I am very glad that they have been set up. Last year the minister said that the reason why so many R.C.A.F. squadrons had to operate with the R.A.F. was that we could not supply them with groundcrew. Since then I have wondered if the minister has given any thought to the possibility of having R.C.A.F. squadrons operated by the R.C.A.F. with R.A.F. groundcrew. When the minister is answering these various questions I would ask him to give the committee some information as to whether or not it will be possible for the R.C.A.F. to operate under its own administrative staff and headquarters, or whether we shall continue to have a large number of R.C.A.F. squadrons operate under the R.A.F.

Item agreed to.

2. Pay and allowances, $323,315,744.

Mr. POWER: Perhaps I had better say now that on another occasion I shall be very glad to answer a large number of the questions which have been asked. I could answer some of them now if the committee so desires, but if the committee prefers to carry on I can wait until Monday, when my estimates will come up again.

Mr. CRUICKSHANK: Might I say a word just to keep the record straight in regard to the hon. member for Weyburn. I quote from *Hansard* of February 17, 1943, at page 505:

> In 1936 I spent a day in the town of Dieppe, and I would imagine that even aerial photographs would show the impossibility of scaling a sea wall unless it had first been partly demolished by aerial bombardment.

So that the hon .member for Vancouver North presumed that the hon. member for Weyburn was speaking from his military experience in regard to Dieppe.

Mr. GRAYDON: I think it would be preferable for the minister, if he is in a position to do so, to answer now what questions he can. That might keep the record straight.

Mr. JACKMAN: Perhaps the minister would accept another question or two before he begins to give his answers. He stated that the R.C.A.F. now had forty-two squadrons which were maintained and serviced by our own boys and at our own expense. In order to keep the record as straight as possible I should like to ask, since I suppose there are still great accounting difficulties, whether Canada is bearing the full cost of everything entailed in a bombing raid or a fighter sortie in connection with these forty-two squadrons.

Mr. POWER: The answer is yes, in connection with bombs, ammunition and so on.

Mr. JACKMAN: That is splendid. In other words, we are entirely independent and carrying the whole burden of the cost?

Mr. POWER: Yes.

Mr. JACKMAN: Then the minister stated the amazing fact that from twenty-two to twenty-five per cent of all aircrew under British tactical command is composed of Canadians. Could he say how many of these twenty-two per cent or twenty-five per cent represented aircrew in R.A.F. units? In other words, I want to know how many of our men, out of that twenty-two per cent or twenty-five per cent, are not in R.C.A.F. independent units. Do I make myself clear?

Mr. POWER: I have already said that about ten men are in R.A.F. units, to one in R.C.A.F. But let me give a figure. For example, if there are 5,000 pilots overseas, about 500 of them would be in R.C.A.F. squadrons. The remainder would be in R.A.F.—pilots, only. The same applies all the way down with regard to bombardiers, wireless operator air gunners, and so on.

Mr. JACKMAN: Of the twenty-two per cent to twenty-five per cent, about ten per cent, or one-tenth of that, which would be between two per cent and three per cent, are our aircrew?

Mr. POWER: I cannot follow my hon. friend in his percentages; but I shall let it go at that, if he thinks it is all right.

Mr. GRAYDON: The minister is very agreeable.

Mr. JACKMAN: Between two per cent and three per cent of the aircrew provided by Canada make up the forty-two squadrons. That is what actually happens. The minister said a moment ago it was ten to one.

Mr. POWER: I cannot understand my hon. friend. I would like to, but I do not quite understand what he is trying to say.

Mr. JACKMAN: I am trying to find out how much of the cost of the flying done by Canadians is borne. The minister says about ten per cent is self-contained in R.C.A.F. units. The other ninety per cent of aircrew are serving in R.A.F. units, and all the cost—

Mr. POWER: Oh, I know now what my hon. friend is getting at. I am beginning to have some comprehension. But I do not know whether his figures are correct, because I am not much good at mental arithmetic.

Mr. JACKMAN: The R.A.F., through the British, are paying for the total cost, apart from the payment of personnel, of the planes and ammunition used by ninety per cent of our aircrew. Is that not so?

Mr. POWER: We pay a per capita charge for dental and medical services, and things of that kind. But I do not think we pay for the bombs dropped on Berlin by R.A.F. squadrons, and I do not think anyone expects us to, either.

Mr. JACKMAN: Or for the aircraft flown by our boys in the R.A.F.? They pay all the costs, except as to personnel.

Mr. POWER: Except that a good many of the aircraft are supplied by my colleague the Minister of Munitions and Supply under mutual aid arrangements.

Mr. JACKMAN: In other words, the state of account between the R.A.F. and the R.C.A.F. is still in the hopeless tangle the minister mentioned a year ago. He does not know what share of the cost we are bearing, and what share Great Britain is bearing.

Mr. POWER: I know how much it costs for our expenditures overseas, because I have the figure right here.

Mr. JACKMAN: But the fact remains, nevertheless, that our boys—

Mr. POWER: Overseas expenditures this year, for 1944-45, will be $463,157,142. That is fourteen per cent higher than last year.

Mr. JACKMAN: The reason I asked for a break-down of the figures is simply this, that in Canada we take great credit to ourselves for the mutual aid given to Great Britain and the other allies. We also take credit, and quite properly so, for the tremendous contribution we are making by way of aircrew. But what I wish to find out from the minister, if I can, is how much financial burden is being assumed by Great Britain in providing the aircraft, the necessary bombs and so on, for that ninety per cent of R.C.A.F. aircrew which for the time being is attached to R.A.F. units. When we take credit for R.C.A.F. aircrew flying over some part of Germany, we must also remember there is a big expense entailed not only in the aircraft but in the bombs. So that I wish to be able to find out exactly the separate contributions by Great Britain and Canada. I do not suppose the minister can give it.

Mr. POWER: No, and I do not think the minister's job is to talk for any other nation than Canada—and he is talking for Canada. He is telling the committee what Canada has done, and he is going to continue to do so. The people on the other side of the ocean tell us often enough what they have done. My job is to talk for Canada. Churchill and Sinclair will talk for the Royal Air Force.

The CHAIRMAN: The present discussion would come more properly under an item. The minister has not his officials with him. I thought the discussion would be general.

Mr. MacKENZIE (Neepawa): In view of the statement in the *Globe and Mail* of Saturday, February 26, would the minister explain to the committee his policy with respect to recruiting in the women's division, and also with respect to ground forces?

Mr. POWER: I believe that matter was mentioned in my statement. This is found at page 1030 of *Hansard*:

> In addition to the men required by the Royal Canadian Air Force, we have enlisted and trained over 15,000 in the women's division. Here again we have reached our peak and no further personnel are needed to bring our establishments to full strength beyond what have already been enlisted and are awaiting training, and accordingly, enlistment for the women's division of the Royal Canadian Air Force has been curtailed to the comparatively small numbers required for replacements.

Mr. BENCE: I do not understand the procedure. Is the minister to answer the various questions asked, or are we to proceed item by item?

Mr. POWER: I had intended answering the various questions as we went along. My colleague, the parliamentary assistant, has already prepared the answers to some of the questions asked. If the committee will permit, he will proceed to give those answers, some of which are rather lengthy.

Mr. MACMILLAN: Several hon. members have asked questions with respect to air mail.

During the latter part of November, the Royal Canadian Air Force was asked to attempt to provide a supplementary air service from Canada to the United Kingdom, and from there to the Mediterranean theatres of war to assist in expediting mail to the troops overseas. This was a tremendous undertaking, considering the length of the route, the mileage of which is 3,100 miles from Ottawa to the United Kingdom, 2,850 miles from the United Kingdom to Italy, and 1,850 miles from Italy to Cairo. The total mileage is 7,450 miles one way, or approximately 15,000 miles for the round trip. One round trip per month to be made as far as Cairo and the remainder of the flights to finish in Italy.

The purpose of the service was to hasten mails for Canadian forces in the United Kingdom and Mediterranean war theatres, and also the return mail from troops to their families at home. It was also to help remove a large backlog of mail which had accumulated; some in Canada, and the majority in the United Kingdom, due to insufficient transportation facilities, and in addition, to attempt to get as much of the mail as possible through to the troops for the Christmas-New Year season. The service was, and is, planned to continue as long as such a service is necessary.

At the time the Post Office Department requested the R.C.A.F. to consider this service, aircraft of a type suitable for this operation were not available in Canada or Great Britain. It was therefore necessary to approach the United States authorities in order to get the necessary equipment. Through the kindness and cooperation of these authorities six fortress aircraft were to be made available as quickly as possible. The aircraft to be supplied were not new aircraft, but were aircraft which had seen, in some cases, a considerable amount of service and, therefore, maintenance difficulties were to be expected. It was impossible to procure new aircraft due to United States commitments in various war theatres,

and it was therefore necessary to accept what we could get and do the best that we could with them until we had sufficient time to overhaul and make the necessary modifications.

Great credit is most certainly due to every member of the mail squadron, both air and ground personnel, for the results achieved and the cheerful spirit maintained in spite of their many difficulties.

In spite of the difficulties encountered during the two months' period from the commencement of the service on December 15, 1943, until February 15, 1944, a considerable volume of mail has been carried. In actual figures, this is as follows:

	Pounds
Between Canada–United Kingdom and return	57,920
Between United Kingdom–Mediterranean theatres and return	89,918
Total	147,838

Of the total of 89,918 pounds carried to and from the Mediterranean area, 45,619 pounds of letter mail has been delivered to our troops. This represents a total of approximately two and one quarter million letters, and is the equivalent of well over twenty-five letters to every member of the Canadian expeditionary force in the Mediterranean area.

On the return flights from the Mediterranean area to the United Kingdom it has seldom been possible to fill the aircraft to capacity with Canadian outgoing mail. The balance of the load is then made up of British and United States outgoing troop mail, which enables us to reciprocate to some extent for assistance we have received in the past from the air transport services of these two countries. It is emphasized, however, that Canadian forces mail carries number one priority and that British and American mail is only carried on return flights from the Mediterranean areas to the United Kingdom and only when insufficient Canadian mail is available to make up a full load.

From the experience now gained it has been decided to place three twin-engined transportation aircraft already owned by the R.C.A.F. at a base near the entrance to the Mediterranean to take care of the mail service from that base to the theatres of war in the Mediterranean. These aircraft are considered entirely suitable for operations in that particular area. As a result of this, we shall then be able to concentrate our flying fortresses on the north Atlantic route, which should have a marked effect on the frequency of service.

[Mr. Macmillan.]

While no firm forecast can be made of the future frequency of operation, it is nevertheless felt that with the gradual improvement we are now experiencing in our maintenance difficulties and the expected improvement in the north Atlantic and Mediterranean weather conditions within the next month and a half the frequency of service will be improved.

The hon. member for Fort William asked a question with regard to the method of distribution of Memorial Crosses. Originally the crosses were delivered by registered mail from the records office. Later, for an extended period prior to February 7, 1944, the chaplains services undertook delivery, making personal calls wherever possible and sending the crosses by registered mail to outlying districts. It was found that the presentation of crosses by chaplains was delayed at times owing to the many and onerous duties of the chaplains' services. It was felt that since it was not possible for chaplains to make personal calls in outlying districts this method of delivery discriminated against the next-of-kin in those districts.

Accordingly, effective February 7, 1944, all Memorial Crosses are now delivered to next-of-kin from the records office. They are accompanied by an engraved card which states:

This Memorial Cross is forwarded to you by the Minister of National Defence for Air on behalf of the government of Canada in memory of one who died in the service of his country.

This method of delivery is proving satisfactory.

Mr. POWER: Several members have asked questions with regard to the transfer of Canadian nationals who are now members of the R.A.F. or the W.A.A.F. to the R.C.A.F. Perhaps I may be permitted to table the regulations which are three or four pages long and have them inserted in *Hansard*. I shall do so with the consent of the committee. They are as follows:

Regulations governing the transfer of Canadian Nationals who are members of the R.A.F. or W.A.A.F. to the R.C.A.F.

1. Up to the present time the policy respecting the transfer of Canadian nationals, who are members of the R.A.F., to the R.C.A.F., has been to consider only applications from personnel who are highly qualified, either from a technical standpoint or in some special phase of training operations in which the R.C.A.F. has a deficiency. Such transfers have been the exception rather than the rule, and the overriding principle has been that transfers will not ordinarily be made.

2. The question of such transfers was discussed during the B.C.A.T.P. conference at Ottawa in May-June, 1942, and appendix S to the minutes of the conference is as follows:

"It is agreed that United Kingdom and dominion partners will consider applications of individuals for transfer to the air forces of

their own nationality with a view to such transfers taking place wherever the circumstances make it desirable, and subject to its being found possible to make financial arrangements satisfactory to the individuals concerned."

3. A large number of applications to transfer have been made, both in Canada and overseas, and are pending, and it is considered the matter should be brought to a finality and a general policy laid down with respect to the same.

4. The policy and procedure with respect to such transfers was further discussed by the Minister of National Defence for Air and the under secretary of state for air at a conference at Ottawa, in February, 1944, and it was agreed, upon behalf of the governments concerned, that Canadian nationals, who are members of the R.A.F. or W.A.A.F., would be permitted to transfer to the R.C.A.F. upon the terms and conditions and in the circumstances hereinafter set forth.

5. A Canadian national for the purposes of such transfer shall be deemed to be either—

(a) a person not ordinarily resident in Great Britain who is, under the provisions of any act in force in the Dominion of Canada, a national or a citizen of the Dominion of Canada, within the meaning of that act, or is a person born or domiciled in the Dominion of Canada. For the purposes of this definition a person who is resident in Great Britain shall be deemed to be ordinarily resident there unless he has been resident in Great Britain for less than two years or has been or is residing there only for the purpose of attending a course of education or the circumstances of his residence in Great Britain are otherwise such as to show that he is residing there for a temporary purpose only;

(b) A British subject born or domiciled in the Dominion of Canada who departed from the Dominion of Canada for the purpose of joining the Royal Air Force and who in pursuance of such purpose has become a member of the Royal Air Force.

6. The following classes of personnel, who are Canadian nationals, may apply to transfer to the R.C.A.F.:

(a) Officers and airmen who joined the R.A.F.V.R. after the outbreak of the war.

(b) Regular officers and airmen, and officers holding short or medium service commissions who joined the R.A.F. on or after 1st January, 1935.

(c) Canadian-born women, not normally domiciled in the United Kingdom, who entered the United Kingdom to join the Women's Auxiliary Air Force before the establishment of the women's division of the R.C.A.F. in Canada.

(d) Canadian-born women, resident in the United Kingdom at the outbreak of the war, who joined the Women's Auxiliary Air Force, provided they were not permanently domiciled in the United Kingdom, and did not enter the United Kingdom for the purpose of establishing a domicile.

7. Procedure upon application

(a) Applications by such R.A.F. officers or airmen and W.A.A.F. officers or airwomen are to be submitted on an approved form through their commanding officers. Such applications will then be passed through the usual channels to air force headquarters or R.C.A.F. overseas headquarters, as appropriate, where they will be dealt with and considered in accordance with the administrative procedure laid down.

(b) Upon approval by the appropriate R.C.A.F. and R.A.F. authorities, officer applicants will be required to relinquish their commissions in the R.A.F. or W.A.A.F., and airmen and airwomen applicants will be required to be discharged from the R.A.F. or W.A.A.F., and will be appointed to commissions or enlisted in the R.C.A.F. or R.C.A.F. (W.D.), as hereinafter provided, the effective date of appointment or enlistment in each case to be the day following the date of relinquishment of commission or discharge.

8. No transfers are to be finally approved and carried into effect unless the appropriate R.A.F. authority concurs in the same and agrees to release the officer, airman or airwoman concerned with no financial adjustment by the government of Canada or by the R.C.A.F.—

(a) in regard to any gratuity paid or payable to Canadian-born short service commission officers, or

(b) in respect of reserve service in the R.A.F., or

(c) otherwise, howsoever, in the event of such transfer taking place.

9. R.A.F. officers (permanent force) on the general list, and R.A.F.V.R. officers on the general list, are to be transferred to and commissioned in the R.C.A.F. special reserve, general list, in their temporary, substantive or war substantive rank (whichever is the highest) in the R.A.F. or R.A.F.V.R., with seniority in the R.C.A.F., special reserve, as of the date such temporary, substantive or war substantive rank (whichever is the highest) was granted to them in the R.A.F. or R.A.F.V.R. All acting ranks held at the time of transfer are to be relinquished.

10. R.A.F. officers (permanent force) on the non-flying list, and R.A.F.V.R. officers on the non-flying list are to be transferred to and commissioned in the R.C.A.F., special reserve, non-flying list, in the same branch as that in which they are serving in the R.A.F. or R.A.F.V.R., or in any other branch for which they are considered suitable, and in their temporary, substantive or war substantive rank (whichever is the highest) in the R.A.F. or R.A.F.V.R., with seniority in the R.C.A.F., special reserve as of the date such temporary, substantive or war substantive rank (whichever is the highest) was granted to them in the R.A.F. or R.A.F.V.R. All acting ranks held at the time of transfer are to be relinquished.

11. W.A.A.F. officers are to be transferred to and commissioned in the R.C.A.F. (W.D.) in the same branch as that in which they are serving in the W.A.A.F., or in any other branch for which they are considered suitable, and in their temporary or war substantive rank (whichever is the higher) in the W.A.A.F. with seniority in the R.C.A.F. (W.D.) as of the date such temporary or war substantive rank (whichever is the higher) was granted to them in the W.A.A.F. All acting ranks held at the time of transfer are to be relinquished.

12. R.A.F. (permanent force) airmen and R.A.F.V.R. airmen are to be transferred to and enlisted in the R.C.A.F., special reserve,—

(a) (i) in the same trade and group as that in which they are serving in the R.A.F. or R.A.F.V.R., or

(ii) in any other trade and group for which they are considered suitable and which is comparable to that held in the R.A.F. or R.A.F.V.R., and

(b) (i) in their temporary rank in the R.A.F. or R.A.F.V.R., or

(ii) in their classification in the R.A.F. or R.A.F.V.R., and

(c) with seniority (if any) in the R.C.A.F., special reserve, as of the date such temporary rank or classification was granted to them in the R.A.F. or R.A.F.V.R.

All acting ranks held at the time of transfer are to be relinquished.

13. Similar provisions to those set out in the immediately preceding paragraphs are to apply to the transfer of W.A.A.F. airwomen from the W.A.A.F. and their enlistment in the R.C.A.F. (W.D.).

14. No rights, credits or any financial advantages accruing from or because of service in the R.A.F., R.A.F.V.R. or W.A.A.F. may be carried over into or will be given credit for in the R.C.A.F. or R.C.A.F. (W.D.). All applicants must understand that from a financial standpoint they are starting anew. Officers so transferred shall not be entitled to the uniform allowances given to R.C.A.F. officers upon first appointment.

15. The effective date of transfer to the R.C.A.F. shall be decided in each case between air ministry and the R.C.A.F. authorities.

The hon. member for York South asked a question along somewhat similar lines with regard to rehabilitation facilities and educational facilities being made available to Canadians in the R.A.F. This afternoon I put on *Hansard* a statement to the effect that predemobilization education and vocational training in either force would be available to the members of the other force. I have tried to make myself plain. In other words, if a Canadian is with an R.A.F. unit he could take advantage of the R.A.F. educational facilities. If a Britisher is with the R.C.A.F. he can take advantage of our educational facilities.

Mr. NOSEWORTHY: A Canadian who is in the R.A.F. cannot always take advantage of these facilities provided for the R.C.A.F.

Mr. POWER: It all depends upon where he is located. If he is located at certain stations he might have a chance.

Mr. NOSEWORTHY: I was thinking more of the period following the war.

Mr. POWER: Rehabilitation?

Mr. NOSEWORTHY: Yes.

Mr. POWER: With respect to pensions, if a man enlisted after 1935, or four years before the war in the R.A.F., he would be entitled, and if unfortunately he were killed his dependents would be entitled, to the same advantages and benefits as if he had enlisted in the R.C.A.F. That is covered by section 46A of the act. In connection with rehabilitation I am sure the Minister of Pensions and National Health would be better able to explain that.

The leader of the opposition asked a question with regard to civil aviation. While I am in entire agreement with him I would rather he would discuss this matter with the Minister of Transport who is in charge of that phase of aviation. With regard to travelling time I may say that I am having this looked into and will have a reply ready on Monday.

With regard to equality of pay for our women's division I may say that I am entirely in agreement with the hon. member for North Battleford (Mrs. Nielsen). At one time there was a distinct difference in the rates of pay in all services. The women obtained only seventy-five per cent of the men's pay, and only seventy-five per cent of trades pay—which seemed to be somewhat of an anomaly. We did raise the seventy-five per cent to eighty per cent. Why we did not raise it to 100, I do not know. But we of the service did succeed in having a logical thing done, that if they were carrying on a trade and drawing trades pay, it did not seem sensible to give them only two-thirds of the trades pay; if they were doing a job of work they should at least have got 100 per cent.

Mr. GRAYDON: "Equal pay for equal work."

Mr. POWER: And that, at least in trades pay, has been arranged. As to the basic pay, it is still four-fifths of the full pay, and I have every sympathy with anybody who wants to raise it to the full amount.

Mr. GRAYDON: Why does the minister not raise it?

Mr. POWER: I will to-morrow, if somebody will give me the money.

Mr. GRAYDON: Surely we have money enough to raise the pay. I am afraid that is not a good enough answer. I do not say there is anything else the minister can say.

Mr. NOSEWORTHY: Put it in the estimates; the house will pass it.

Mr. POWER: I think so. On the question of leave for aircrew and groundcrew, I prefer to take that up and make a more general statement later on.

The question of prisoners of war is really a matter that comes under the Department of National War Services. The question of parcels for prisoners of war is a matter which does not come under this department at all. I am not aware, and would have no means

of being aware, except indirectly, of what goes on with respect to prisoners of war parcels or prisoners of war.

Mr. BENCE: It comes under the Department of National Defence. There is a committee headed by a colonel of the department.

Mr. POWER: I am sorry. I am corrected. I should have known that Colonel Clarke is in charge of it. I could not quite define his duties.

Mr. BENCE: General supervision.

Mr. POWER: At the moment he has general supervision, and he has been very active indeed. He has done great work in trying to get parcels to prisoners of war in the east and in arranging for parcels for prisoners of war in Germany. The air force has a representative on the committee over which Colonel Clarke presides.

The hon. member for Saskatoon wanted to know why we did not add the factor of congestion to the factors taken into consideration in the matter of closing of schools. I must tell him that we do. We are endeavouring to close schools in the large centres, rather than in the smaller ones where the economic life of the community would be more seriously disturbed. With regard to Ottawa, I understand the school to which my hon. friend refers is what is called the W.E.T.P. school. It will be closed shortly. It is not a school where flying goes on; all the men connected with flying in the Ottawa district are accommodated either at Uplands or at Rockcliffe, where we have ample accommodation for them. They do not cause any congestion of accommodation in the city of Ottawa.

Item stands.

Progress reported.

On motion of Mr. Mackenzie (Vancouver Centre) the house adjourned at 11.05 p.m.

Friday, March 3, 1944

The house met at three o'clock.

HOUSE OF COMMONS

SPECIAL COMMITTEE TO ASSIST MR. SPEAKER IN REVISION OF STANDING ORDERS

Mr. SPEAKER: I have the honour to present the first and final report of the special committee appointed to assist Mr. Speaker in revising the standing orders of the house.

Hon. IAN A. MACKENZIE (Minister of Pensions and National Health): With the consent of the house, I move:

That the report of Mr. Speaker for the special committee on the revision of the standing orders be referred to the committee of the whole on Tuesday next.

Motion agreed to.

ITALIAN GOVERNMENT

RECOGNITION BY ALLIED GOVERNMENTS—CONSULTATION WITH CANADA

On the orders of the day:

Mr. M. J. COLDWELL (Rosetown-Biggar): I wish to direct a question to the Prime Minister. Has Canada joined in the recognition of the government of Marshal Badoglio and King Victor Emmanuel in Italy? Has the government been consulted in regard to such recognition, or if not, has the government voiced any disapproval of such recognition?

Right Hon. W. L. MACKENZIE KING (Prime Minister): My hon. friend gave me a copy of his question and I shall reply. At the time of the surrender of Italy, September 8, 1943, the royal Italian government was recognized by the governments of the united nations as the responsible government to conclude the Italian armistice. It has subsequently been recognized by the allied governments as a co-belligerent. Canada was consulted about the recognition of the Italian government for these purposes, and approved.

NAVAL SERVICES

CONSTRUCTION OF BARRACKS IN TORONTO

On the orders of the day:

Mr. T. L. CHURCH (Broadview): I should like to ask the Minister of National Defence for Naval Services a question. I have not often asked him questions this session. As a former chairman of the harbour board of Toronto, I may say that the Toronto members have to-day received a letter from the mayor and the board of control with reference to the construction of naval barracks west of the Toronto baseball grounds on the waterfront. The minister might be able to give information as to what is going on. The city has spent from twelve to fifteen million dollars on western harbour improvements.

Hon. ANGUS L. MACDONALD (Minister of National Defence for Naval Services): I hope to be able to make an announcement on that point by next week. My hon. friend is quite right in saying that the city of Toronto has given a certain very desirable area of land there for the use of the naval services. As I told the mayor in a letter a few days ago, the whole matter is being care-

fully considered, and I hope by the time my estimates are up next week to be able to give a definite answer on the point.

CONFERENCE WITH PROVINCES

INQUIRY AS TO PROBABLE DATE

On the orders of the day:

Mr. GORDON GRAYDON (Leader of the Opposition): May I ask the Prime Minister a question? I did not give notice of it because I have just come into the house. When does he expect to be able to indicate the date of the dominion-provincial conference?

Right Hon. W. L. MACKENZIE KING (Prime Minister): My hon. friend has cut into ground which the hon. member for Parkdale (Mr. Bruce) is seeking to hold.

Mr. GRAYDON: When we have a good thing it is of course well for both to hold it.

Mr. MACKENZIE KING: The hon. member for Parkdale sent me a copy of a question he proposed to ask. It is as follows:

At the first meeting of the social security committee on Wednesday last, when considering the draft bill of the proposed act respecting health insurance, we were informed that before finality could be reached it would be necessary to consult the provinces, especially in respect to the financial provisions of the bill.

Is the Prime Minister in a position to say whether he will be able to hold this conference in Easter week, as contemplated?

Answering both hon. gentlemen, may I say that I am not in a position to state at the moment whether it is going to be possible to hold the dominion provincial conference during Easter week. Certainly with respect to the financial provisions of any bill on health it would not be possible to have the conference take up that measure at Easter. I should say with regard to what my hon. friend from Parkdale (Mr. Bruce) refers to as a draft bill of the proposed act respecting health insurance which he indicates was before the social security committee on Wednesday last, that I understand there were certain departmental proposals respecting health insurance put before the social security committee; but no bill which has been before the social security committee has been even submitted to the government up to the present time. That was made quite clear before the social security committee. What they have been considering are certain departmental proposals respecting health insurance. Those proposals will come before the provincial governments as well as before the federal government before any bill is introduced which may or may not be based upon whatever proposals may be approved.

[Mr. A. L. Macdonald.]

Mr. GRAYDON: If I understand the Prime Minister correctly, should there be a conference at Easter time it will not be possible to deal with the health insurance matter?

Mr. MACKENZIE KING: I doubt if it would be possible to deal with the financial provisions of it. There may be other aspects of a bill that might be dealt with, but the financial provisions of a health insurance bill would necessarily be considered in relation to financial provisions respecting other measures as well, and that is a very large subject. I doubt if it would be possible to have it considered at Easter time.

Hon. IAN A. MACKENZIE (Minister of Pensions and National Health): With further reference to the question asked by the hon. member for Parkdale and the hon. leader of the opposition, and supplementing the reply of the Prime Minister, may I say that the dominion council of health will meet in the next six weeks or two months to discuss as many features as possible of the departmental proposals regarding national health.

Mr. GRAYDON: The dominion council of health?

Mr. MACKENZIE (Vancouver Centre): Yes, with the provincial governments represented.

RADIO BROADCASTING

ADDRESS OF MR. PHILPOTT—NEWS COMMENTATORS

On the orders of the day:

Mr. J. G. DIEFENBAKER (Lake Centre): On Monday, February 28, I directed certain questions to the Minister of National War Services in regard to the control and censorship of news commentators, and in particular Mr. Philpott in reference to the McNaughton case. The minister undertook to give me a reply. I brought up the matter again a day or so later. Is the minister in a position now to give me an answer to these questions?

Hon. L. R. LaFLECHE (Minister of National War Services): I brought some information to the house this afternoon, but the hon. member for Lake Centre asked this question before I had the opportunity of giving him the information he asked for the other day. I wish to table a copy of Mr. Elmore Philpott's week-end review of February 20, 1944.

In regard to the matter of censorship, I have looked it up and I shall read into the record directive No. 1, to be found in the censorship directives handbook which was tabled in this house on January 28, 1944. It is headed "Onus of Responsibility," and is as follows:

Broadcasters are reminded that the full onus of responsibility for observance of the defence

of Canada regulations, in so far as they affect radio, is vested in them. To this end, every precaution should be taken to safeguard against the broadcast of any information likely to help the enemy, or inimical to the national interest. Irrespective of their position or function, all speakers should be fully familiarized with the censorship restrictions now or hereafter in force.

Broadcasters in all categories should be thoroughly conversant with the censorship requirements in order that all danger of violation may be reduced to an absolute minimum.

Information was sought also on the point of "the limitations short of censorship placed on the commentator." I find nothing explicit in that connection. But I understand that the limitations are those of good taste and good judgment, and, of course, observance of any C.B.C. regulation which may be applicable to any case in point.

I am advised that the script in question was not sent to Ottawa. I surmised that the other day; I now confirm it. I am told that no one in Vancouver read through Mr. Philpott's script before it was broadcast.

Mr. GRAYDON: Has the department or the C.B.C. under consideration any tightening of the regulations which would prevent a recurrence of an incident of this kind?

Mr. LaFLECHE: I cannot speak explicitly; I do not know. But perhaps what has happened in this case will move them to consider the point.

Mr. COLDWELL: I should like to ask the minister a supplementary question, if I may. Have the regulations regarding the broadcasting of addresses before political organizations over private radio stations been changed?

Mr. LaFLECHE: I think this question had better stand as a notice.

LABOUR CONDITIONS

MONTREAL TRAMWAYS EMPLOYEES—QUESTION AS TO INVESTIGATION

On the orders of the day:

Mr. ANGUS MacINNIS (Vancouver East): I should like to ask the Minister of Labour if the department has appointed a commissioner to investigate the recent tramway troubles in Montreal, and if so has a report been made to the department?

Hon. HUMPHREY MITCHELL (Minister of Labour): The Department of Labour did not appoint a commissioner to investigate the tramway troubles in Montreal. What actually happened was the government of Quebec asked that we lend them one of our conciliators to serve with one of theirs to report on the situation in Montreal.

SIXTH VICTORY LOAN

ANNOUNCEMENT OF DATE AND OBJECTIVE

On the orders of the day:

Mr. D. C. ABBOTT (Parliamentary Assistant to the Minister of Finance): On behalf of the Minister of Finance I wish to make an announcement with respect to the forthcoming victory loan.

The sixth victory loan campaign will open on Monday, April 24. The objective of the loan has been set at $1,200,000,000, of which $525,000,000 will be sought from individuals and $675,000,000 will be sought from the special names group, consisting largely of corporations, life insurance companies and other investment funds. The house will observe the objective is the same amount as that of the fifth victory loan.

Borrowing needs for the continued prosecution of the war remain at very high levels, and the Minister of Finance is confident that once again Canadians everywhere will show their determination to support their fighting forces by a financial achievement greater than on any previous occasion.

NATIONAL FLAG

REFERENCE TO ANSWER TO QUESTION ON FEBRUARY 28

On the orders of the day:

Mr. T. L. CHURCH (Broadview): I hope the Prime Minister will pardon me for not giving him notice of the question I am about to ask. Would he care to clarify the answer he gave to the question regarding the national flag asked by the hon. member for Quebec-Montmorency (Mr. LaCroix) on Monday last? In reading the answer I find that it goes much farther than the answer which was given to the same hon. member last June; and it has been accepted as a declaration by parliament, which it is not. I think the Prime Minister is quite right in saying that these matters should not be brought up during war, but I think he will agree with me when I say that the last reply goes much farther than the previous one. Would he care to look into the question again and clarify it?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I have nothing to add to what I have said already. I thought what I said the other day, in addition to what I had previously said, was in the nature of a clarification, and I should not wish at this time to attempt to clarify the clarification.

Mr. CHURCH: There is only one national flag and one national anthem.

SUPPLY

The house in committee of supply, Mr. Bradette in the chair.

DEPARTMENT OF AGRICULTURE

1. Departmental administration, $130,406.

Mr. ROWE: Mr. Chairman, it is not my purpose to hold up the estimates of the department, or to deal with them in as great detail as has been my practice in other sessions. I observe with interest, of course, that these estimates are substantially larger than they have been in other years. I can recall that not so many years ago the agriculture estimates were little more than a third as large as they are at the present time; and in addition to what has been spent on agricultural services, as was pointed out not long ago in reply to a question asked by the hon. member for Haldimand, in the last two or three years we have spent on Canadian agriculture something approaching a quarter of a billion dollars. It may be said, and with some truth, that much of this money has had to be spent because we have not progressed as far as we might have in connection with scientific agriculture, or indeed because we have never had an over-all national agricultural policy. It has been a more or less haphazard policy, and now we seem to be paying the penalty. Just to what extent bonuses and subsidies will have to be carried on is not known even to those who may feel optimistic of the support that has been given to agriculture during these difficult years.

I notice that included in the estimates is some $50,000 or $75,000 to be spent by the entomological branch for the protection of forests, which I suppose would include the distribution of insecticides to deal with all sorts of forest diseases, and I wish to draw the committee's attention to the relative importance of the forest industry of this country and to indicate what little attention has been given it in this parliament. I think I can say that during the last twenty years the estimates of the Department of Agriculture have been more thoroughly discussed than those of any other department of the government. On many occasions we have discussed wheat; we have dealt with live stock and dairy products, plant diseases and everything else that comes under this department. I believe that in many cases the money spent by this department has been spent wisely, but I do not believe the estimates of any other department have received anything like the attention and discussion that parliament has given the estimates of the Department of Agriculture. On the other hand we have all the great industries associated with our forest resources, to which we have given no attention in years gone by and on which very little money has been spent. I suggest to the minister that the government should give some consideration to the reorganization of the various services involved, to the end that the great forest industry of this dominion may be given more national attention.

We look at the estimates and find that all the forestry services furnished by the federal treasury cost a total of only about $300,000. This is only thirty per cent of what is spent annually on our national parks. Then we see that $1,875,000 annually is spent in order to provide the services of the fisheries department. I know the Minister of Fisheries will not want that amount reduced, nor will the fishermen throughout this dominion, because it is a very valuable resource which I believe produces some $50,000,000 to $70,000,000 annually for that industry. On the other hand the forest resources of Canada return to this country's treasury approximately $79,000,000 in tax revenue alone each year, of which less than one-half of one per cent is spent in the protection and conservation of our great forest wealth.

During the last few weeks we have done a good deal of talking about the post-war period. Indeed, it has seemed to me that we spent a great deal of time talking about post-war rehabilitation problems when we should have been spending more time considering how to win this war, because it is not won yet. With the single exception of agriculture no industry contributes more to the favourable trade balances of this country than does the forest industry; none produces more of the things necessary to carry on the war; none contributes more to the employment of our people. To-day the products of our forests are contained in the parcels that go to the battle fronts, in the waddings used in the hospitals, and in hundreds of new commodities which have been developed during the last five years. Long ago Germany and other countries which are now our enemies planned constructive forestry policies and gave their great forest resources a prominent place in their national considerations. Other countries, such as Sweden, have considered their forest resources—

Mr. GARDINER: On a point of order, Mr. Chairman, I have no objection to my hon. friend discussing the expenditures made in connection with entomology so far as our forests are concerned, when we come to that item, but I submit that the discussion he is

carrying on now should come under the estimates of the Department of Mines and Resources. We in the Department of Agriculture have nothing to do with forestry as such; that is a matter which should be brought up on the estimates of another department.

Mr. ROWE: I would draw the minister's attention to his own report on forest insect investigations and services, which indicates that substantial sums have been spent on this work.

Mr. GARDINER: On entomology.

Mr. ROWE: On forest insect investigation, carried on by his department. I understand that we had a perfect right under this first item to discuss anything dealt with in these estimates, and I see no particular point of order at the moment. When the minister raised the point of order I believe I was emphasizing the importance of the industry, and the fact that it is highly indigenous to this country. I submit that I have a perfect right to proceed.

The CHAIRMAN: I believe the point of order raised by the Minister of Agriculture is well taken. The item under consideration certainly has not much to do with forestry. The minister points out that the estimates of other departments will be before the committee, at which time forestry can be discussed.

Mr. SENN: I do not often speak on a point of order, but I must point out that page 26 of the report of the Department of Agriculture deals with forest pathology. Reference is made to investigations which have taken place in connection with the decay of poplar, and it is stated that some of the pulp and paper companies have been adversely affected by forest conditions. There is reference to disease in red pine plantations, and so on. Certainly in my judgment the question asked by the hon. member is a proper one. My understanding is that any of the estimates in the Department of Agriculture can be debated when the first item, the item for administration, is called.

Mr. GARDINER: If we are to follow the procedure of discussing every item in the estimates on the general administration item, then I am sure we shall have this discussion on another occasion. The rules of the house are intended to prevent just that. There is no reason why questions having to do with the preservation of forests, through expenditures on entomology, and also studies of diseases of trees, should not be discussed under the proper item. But to discuss forestry under the general item of administration is not, in my submission, in accordance with the rules.

Mr. ROWE: Speaking again to the point of order, it is on the very feature to which the minister has referred—

Mr. McNEVIN: The chairman has already given his decision. This is all out of order.

The CHAIRMAN: We will hear the discussion, if it is brief.

Mr. ROWE: It is the fact that we have our forest insect service under the item for entomology, in the Department of Agriculture, to which I am directing my remarks. If I am given the time to do so I will suggest to the minister ways and means by which he may be relieved of forest insect investigations. I am endeavouring to do this in a constructive way, not in any spirit of criticism of this or any previous government. This is a neglect which is apparent to many people, and a condition which has been given too little attention in committee. I am not referring particularly to the service which has been given, because, as the minister knows, it would not take us long to discuss that. I have in mind departmental rearrangement. In view of this fact I submit it is proper that we discuss the general set-up of the estimates on the administration item.

Mr. GRAYDON: May I say one word? I happen to know that the hon. member for Dufferin-Simcoe has given much research and study to the point involved, and the subject is one of very great importance. Having given some thought to the matter myself it is my view that he might discuss his thesis on this item.

Mr. ROSS (Moose Jaw): He may not be here later.

Mr. GRAYDON: The hon. member for Moose Jaw enters into this now. I can understand why he would make that remark. It was not a very becoming one, at that—

Mr. ROSS (Moose Jaw): Is that so?

Mr. GRAYDON: —having regard to what happened last year when the estimates of the minister were before the committee.

In all fairness I say the minister might very properly allow the hon. member to continue. This is a matter of some importance, the discussion of which could not properly be had under any other item in the estimates. The minister will be the first to agree that wide latitude is given in the discussion on the administration item. I submit this is not one of those detailed matters which would normally fall within any of the actual items.

The CHAIRMAN: I believe I must repeat my first statement, namely, that item 135 at page 20 of the estimates, providing for an expenditure for dominion forest service, would afford an opportunity for this discussion. It is true that when the first item of any department is called a certain amount of latitude is allowed, but it must be realized that when specific questions are asked, in order to give answers the minister must have officials before him. The hon. member for Dufferin-Simcoe was asking some direct questions.

Mr. ROWE: No.

The CHAIRMAN: A question was put to the minister, and the minister has said he is not in a position to answer it. His point of order was well taken. It is now proper to have a general discussion, but I believe hon. members will realize that the minister is not now in a position to answer questions on all the items in his department.

Mr. CRUICKSHANK: Speaking to the point of order, I should like to conform to the discussion of the items as they are called. However, we had a discussion with regard to potatoes, in connection with which an emergency had developed, and we were told by the minister that he would prefer to have the discussion under item 26. If the estimates are discussed as they were last year it will be about July 26 when we reach that item. That is not an exaggeration; it is borne out by *Hansard* of last year. The condition with respect to potatoes is an emergency condition, and I do not want to wait until item 26 is called.

The CHAIRMAN: If the hon. member is stating a point of order, it is my view that the subject should be discussed under item 26; otherwise representations will be made over and over again and there will be repetition. I am in the hands of the committee, and am not attempting to set up rules. I believe there is no doubt however that potatoes might be considered when item 26 is called.

Mr. CRUICKSHANK: May I speak again to the point of order?

The CHAIRMAN: I have given my decision on the point of order.

Mr. LEADER: Since you have made your ruling, Mr. Chairman, while I do not wish to interrupt the hon. member for Dufferin-Simcoe, may I take it that if he is out of order I may proceed?

The CHAIRMAN: The hon. member for Dufferin-Simcoe had the floor.

[Mr. Graydon.

Mr. ROWE: In what I have to say I shall try to keep within the services of the agriculture department. It is not my purpose to hold up the estimates. As I have said, I am not criticizing the administration of the department, although I believe there is room for criticism.

Mr. GARDINER: May I make it perfectly clear that I am not objecting to anything that has been said so far. I have no objection to what has been said; that is not the point. I do wish to know, however, whether we are going to discuss forestry under my estimates. If we are, then every other hon. member may do the same, and I hesitate to sit here all afternoon and evening discussing the estimates of some other minister's department.

Mr. ROWE: I think I am still in order when I recommend that the Minister of Agriculture take the forest service entirely out of his department. I refer to the surveys with respect to insects carried on by his department. I would suggest, too, that two or three pages of the report of his department referring to that subject could then be deleted. If we cannot discuss this matter under the estimates of this department, then I think there should be a reorganization in order that this problem can be more fully considered. Surely we would be in order as a committee to discuss the advisability of taking out some of the service items that are now in these estimates and placing them, if you will, under the Department of Mines and Resources where I think they should be.

The hon. member for Fraser Valley (Mr. Cruickshank) has mentioned that there are emergency problems, but I would point out that this matter is an emergency problem. We must realize the great damage that has been done during the last four or five years. We should endeavour to arouse this committee to arriving at some solution or making a greater effort than the small effort being put forth to-day. I am merely pointing out that the services having to do with this great primary industry should be solidified and consolidated under one department. Something should be done along that line.

As I suggested at the outset, the minister must share at least a part of this responsibility with the Minister of Mines and Resources. Neither department is doing very much, nor has much been done in the past. I am laying this matter on the doorstep of the government, because it is their responsibility; but it must be admitted that for the last seventy years very little has been done for this great primary industry, which has grown to be the most important in this dominion; employs the most

labour, and produces a greater favourable trade balance than any other industry. It has made to the mother country an important contribution to the war by providing over a billion and a half feet of lumber per year. It has given assistance to our friends in the United States by assisting in their requirements for explosives, for alcohol, for glycerine and many other things made from these products. Yet for seventy years this industry has been allowed to grow up almost like Topsy so far as national direction is concerned. During the last twenty years problems have arisen which I submit create an emergency now. They should be dealt with before next spring. There is the spruce bark beetle, the bronze birch borer, the budworm, the jackpine sawfly and mountain pine beetle. Hon. members from British Columbia know the damage that these insects are doing. Every part of this dominion is affected. I know it has been said that we cannot deal with these matters because the provinces have autonomy over their own civil and property rights, but I submit that this government should review without delay the possibilities of establishing a national forest policy to cooperate with the provinces.

Some department should be made responsible for preventing the terrific losses we have sustained. From 1878 to 1886 very large quantities of the accessible timber in the state of Maine and the provinces of Quebec and New Brunswick were destroyed. The preponderance of balsam since that time has made our forests more vulnerable to the spruce budworm. From 1910 to 1920 from forty to sixty per cent of the accessible spruce and balsam in the state of Maine and in large sections of Quebec and New Brunswick was affected by this insect. The present budworm infestation began in the district north of Sudbury in 1935 and 1936. Foresters in that district claim that because of this infestation there was more damage by fire in two days in 1941 than there had been in the previous ten years—the ravages of the budworm making the trees so much more susceptible to fire hazards.

An estimate made by the best forestry authorities in the dominion indicates that this budworm infestation now threatens 45,000 square miles. The area damaged spreads through Ontario, Quebec, and part of New Brunswick, and over 15,000 square miles of forests are already destroyed. Do hon. members realize what that means The minister's report states that 40,000 square miles are seriously affected. This represents the destruction of 50 million cords of wood, or sufficient pulpwood to keep the pulp and paper mills of this country going for thirty-five years. Yet the federal government and this parliament have done practically nothing about it.

As has been stated by the leading entomologists in this country, we are twenty years behind the times in our effort to overcome this devastating budworm menace. Other countries have national policies in connection with their great resources. We talk a lot about rehabilitation, about free money, about giving pensions, about finding places for our men, and very little about conserving and preserving and developing our own resources, which are so fundamental to our great primary industries. It is upon these industries that much of our national wealth and national employment and national prosperity depend. It is true that something has been done, but it touches only the fringe of the problem. From 1909 to 1920 over 200 million cords of spruce and balsam pulpwood were destroyed in Quebec and the maritime provinces by the spruce budworm.

This problem transcends the borders of the dominion; it affects the United States of America as well. On two or three occasions the state of Maine has suffered great loss. I am glad to note that there is a bill now before congress which will provide large sums for investigation and research work in an effort to arrive at a solution of this problem. Many things have been tried. Because of the nature of the problem, dusting by aeroplane has not proven entirely successful, but there is no doubt that much can be done through proper forest management, protective service and cooperation between the provinces and the dominion.

We have not faced this problem, and we must face it in order to arrive at a solution. We cannot sit idly by and watch what is happening. Every infestation affects millions of cords more than the previous one. We have been warned repeatedly during the last quarter century by the leading entomologists that unless something is done, resources of great value will be lost to the dominion. True, when you look over the map you can see enormous areas of timber still in Canada; but remember, our resources are not inexhaustible. We have excellent yellow birch in the far east, stately firs in British Columbia, and large white pines in this old province, much of which, however, has been exploited, and now we have left in its place a growth of balsam, which is fertile ground for the budworm to do its work.

I submit, Mr. Chairman, that we certainly have not met this problem. There is no industry which gives more employment in Canada to-day or has more capital invested in it than the allied forest industries, and they depend entirely on the raw production from these great forest areas. I believe that there is more hope for employment after the war

through new uses of wood products than there is in any other single industry in Canada, but that industry is dependent upon the accessibility of sound timber. After the war we shall have to compete with Sweden and Finland and even Russia, and therefore I think it is fitting under our good neighbour policy that we take this problem up with the United States of America. I ask the government of the day to face this problem and see if we cannot bring about some joint cooperative effort between Canada and the United States to deal with it. It is not only a provincial or a dominion problem, but from its very nature it is as well an international problem. If a great forest fire starts in the Gatineau, we soon know it down here because we smell the smoke. But until we are almost on fire ourselves we do not seem to wake up. Insect infestation can prepare vast areas of our forests, square mile after square mile, in one year for a forest fire. The fallen timber through insect infestation creates a fire hazard and now causes greater annual destruction than all the timber cutting itself in this dominion.

Remember, the figures I have given are not small figures. Forty thousand square miles is a large territory, and 15,000 square miles is now a fire hazard and a prey for the fungi and insects to which I have referred.

It does seem to me that excuses such as provincial rights should not brush aside this problem. We must grapple with it in a national way, establish surveys and detection services, international in scope, and enlist the joint efforts of the federal bureaux of entomology and plant pathology in an endeavour to solve it. It is true that we have made certain strides forward in the distribution of insecticides and parasites, and there has been more research into control methods. We have a laboratory at Belleville. The Imperial Institute has been moved out from England for the duration, and is doing excellent work. It has been shown that parasites can be produced in sufficient numbers to be spread over areas in such volume as to prevent this insect infestation, if the work is done in time. But they cannot be spread over 15,000 square miles, and many entomologists are agreed from past experience that this work must be done in time if the forests are to be saved. And so I say, Mr. Chairman, that we must have surveys made and detection services set up. I leave it to this house to say, no matter whether the problem comes under this department or not, whether we are giving the necessary attention to this great national resource, a resource that brought to this country in 1941 alone a production of $537,000,000 worth and a favourable trade balance of $350,000,000. It is an industry which directly and indirectly is supporting over half a million of our people.

The question is important from many other angles as well, of which hon. members are no doubt familiar. There is the effect upon our climate and upon soil erosion. We spend a lot of time in the different provinces in discussing reforestation policies. I can well remember the time, a quarter of a century ago, when reforestation was started by our county councils, and in Simcoe county, where I live, we have been reforesting ever since and now have substantial reforestation areas. But it takes a long time to reforest 15,000 square miles, and mother nature has proven to be the best reforestator we have yet seen. Again I repeat, we have wilfully neglected the great major national resources of this dominion. It seems to me that we, the representatives of the people in this house, should urge upon the government that more time and effort be spent on national research and the development of these resources and on their conservation and wise and scientific utilization. If we spend more time on these vitally important matters and less time on some of the wild dreams some people have of giving people something for nothing, it will open the door to opportunities and restore the confidence necessary not only to industry but especially to the labouring man himself. Nature has blessed us with timber resources in greater abundance than those possessed by any other people. Surely we should not fritter them away. I hope that the history of the next seventy years will not be a repetition of the last seventy, in which we have recklessly neglected an important obligation which rests right on the shoulders of this government—

Mr. GARDINER: Rests right on the provincial governments.

Mr. ROWE: There again we come back to the excuse of provincial rights.

Mr. GARDINER: Mr. Chairman, I must rise to a point of order. We have wasted thirty minutes listening to this discussion, which is entirely on provincial matters having nothing to do with this department. I would respectfully suggest that you enforce your ruling.

The CHAIRMAN: I have given my ruling. There is no doubt that the hon. member for Dufferin-Simcoe has not obeyed my ruling. I cannot see how a discussion of forest resources can be tagged on to a discussion of agriculture estimates. It is the first time I have heard such a discussion on these

estimates. There will be an opportunuity when we reach item 135, for dominion forest service, to discuss the matter the hon. member has been discussing. I rule again that he is absolutely out of order.

Mr. ROSS (Souris): Mr. Chairman—

The CHAIRMAN: I have given my decision on the point of order. Surely the committee must respect the decision of the Chair. If my ruling is disputed, an appeal can be made from it.

Mr. ROSS (Souris): I was not going to speak to the point of order, Mr. Chairman, but wanted to discuss another matter, unless the minister is going to reply.

Mr. GARDINER: I am not going to reply, because the remarks have to do largely with matters not in my department.

Mr. ROSS (Souris): Then I should like to discuss—

The CHAIRMAN: I saw the hon. member for Renfrew North (Mr. Warren) first.

Mr. WARREN: I did not intend to discuss this item Mr. Chairman, but I had the good fortune to listen to an eloquent and fluent speech by the hon. member for Humboldt (Mr. Burton) on February 25, which is recorded at page 909 of *Hansard,* and I should like to draw attention to some of the statements he made.

It is true that we Ontario farmers have been brought up in a hard school. We have passed through the dark days when an extra five-dollar bill on a farmer's tax account was a lot of money. Any person who was interested in municipal affairs during those dark days when my hon. friends to the left were running the affairs of the country will know something about the value of even a five-dollar bill. But since coming here we have been asked to vote huge sums of money which have gone to the western provinces under the Prairie Farm Rehabilitation Act and the Prairie Farm Assistance Act, and the hon. member for Humboldt now comes to us as a new member from the province of Saskatchewan with experience, I understand, as a former member of the socialist group in the legislature of that province, so that I presume he speaks with authority and knowledge. He brings us some examples of the way in which the money that we have been voting is being handled in his own riding. I think it is something that should receive attention.

For example, he told us that under the Prairie Farm Rehabilitation Act an inspector comes along to a certain community of an evening and there are six or seven dugouts to be inspected. I had a wonderful regard for these dugouts, from what I was able to learn about them. It is a wonderful thing that you can dig a hole in that western soil, if you get it in the proper location, and it will fill with water in the spring, or during a shower of rain, and will remain clear and sweet and will not go stagnant all summer, so that you can even use it for your own household purposes. If we attempted anything like that in any part of this province, so far as I am aware we would have to line it with cement, and we would have to line it thoroughly. But even at that the water would not remain cool and sweet during the summer months.

That of course has been big business all over the western provinces. It costs a lot of money, and these dugouts have to be dug in the proper location and dug properly, and I suppose it is quite necessary that there should be inspectors. There must be quite a staff of inspectors to administer these large sums of money that we have been voting, but here is this fresh voice from the west telling us that this particular inspector had an opportunity of inspecting six or seven of these dugouts in an evening, and instead of doing so he drives back to Humboldt and later makes six or seven different trips out to inspect the dugouts. If it was possible for him to do it in the evening and he did not do it, we would like to know why. If that condition is general we would like to know why.

Mr. BURTON: Before the hon. gentleman leaves the question of the inspection of dugouts, he will have noticed that I said dugout locations. Did he ever notice what an inspector did in connection with the inspection of a dugout location?

Mr. WARREN: If it is the inspection of locations, that is a different matter. I can hardly imagine that a man would be able to go into a district and in an evening take tests to find out whether there was gravel beneath or whether the dugout in that particular spot would hold water or not, make a survey, find the proper location, decide the nature of the subsoil, and so on. That would be a big job, and I very much doubt if a man would do six or seven of them in an evening.

The other report was in connection with the Prairie Farm Assistance Act. This man drove along and met the hon. member for Humboldt, who perhaps was not in a good humour. His combine had broken down, his grain was ripe, and I have a good deal of sympathy with him if he was not very civil to an inspector. I can understand if he gave short answers. Perhaps

the fellow had more knowledge than he suspected and was only trying to have a little conversation with a farmer along the way. That would be quite natural. In any case, he accuses the man of being absolutely ignorant and not knowing the difference between a twelve-bushel crop and a thirty-bushel crop.

The point is that if I had received reports like that, and I sometimes get letters from the west, I would have gone to the Department of Agriculture. Judging by my experience, I would say they must have a marvellous filing system, because it would be only a short time before I would get a complete report from some person in the west through the minister's office. A copy of a letter would be sent to me giving full details regarding the matter. But what strikes me more than anything else is that this whole administrative staff is being besmirched by the hon. member for Humboldt in his accusation against two men, I should think it would be the duty of the hon. member to go further, and if he is not able to give the names of these two particular criminals he should at least give us the year and the approximate month. If he will do so I can assure him that we will get a full report on the activities of these two inspectors and we shall learn something as to whether these men were trying to steal public funds, whether they were falling down on the job, and whether they are still on the job.

In fairness to that staff as a whole—and surely there must be honest men in Saskatchewan who do this kind of work—I think the hon. gentleman should go further and give the Minister of Agriculture a chance to clear the matter up.

Mr. BURTON: I only gave you a start.

Mr. WARREN: I noticed that the hon. member said he could regale us until midnight with instances of this kind, but in fairness to the people of Saskatchewan I suggest that when a man gives such an instance he should at least give the minister a chance to investigate the matter and clear it up. I ask the hon. member to give the minister that opportunity of looking into these accusations, on behalf of the staff of honest inspectors, who are administering this money that we comparatively poor Ontario farmers are voting for the assistance of Saskatchewan farmers.

The member for Humboldt also referred to an office he had visited—I expect there is quite a staff—and he described it as a war office. My own experience, in visiting the war offices, is that a war office is quite an efficient spot. If you want service in a war office you get it in a hurry. But that did not seem to be at all the interpretation of the hon. member. He referred to it as a war office. Let me quote from the remarks of the hon. member as reported at page 910 of *Hansard*:

> I said, "I was in a war office." They said, "Where is that?" I said, "Down there on a certain street in the city. It is war."

Then he goes on to say:

> I remarked that the way these fellows are going about their work we shall have a war before we get the bonus, and things straightened out. There were men running through the province drawing salaries and building up these handsome expense accounts who did not do anything else but make a heap of trouble for the people.

We ought to know something about that office and about the way it is handled. If it is handled in such a way that it is a sort of wild house, as the hon. member for Humboldt indicated, then we ought to know about it, because we are going to be asked to vote not $10 but millions of dollars to carry out the provisions of the Prairie Farm Rehabilitation Act and the Prairie Farm Assistance Act.

I wish to deal with another point, namely, the hon. member's criticism of the expense account of the Minister of Agriculture. The Minister of Agriculture is the minister of agriculture for Saskatchewan, but I remind my hon. friend that he is also the minister of agriculture for Ontario and for the other seven provinces. The hon. member for Humboldt complains that the expense account of the Minister of Agriculture is too high, the intimation being that he travels too much. I have watched the Minister of Agriculture during my limited experience here and, speaking for myself, I do not know of any other man in Canada who knows more about farming in its varied angles than the present minister. It is something to know about growing Saskatchewan wheat and raising Saskatchewan hogs, but it is something else to know about milk and all the different milk products. It is something to know about apples in the Annapolis valley and in the Okanagan valley. It is something to know about flax, and the grading of cattle and hogs, and the marketing of them. I do not know of any other man in Canada who is so well qualified to handle the affairs of agriculture all across Canada. How did he get that way? Simply because he had ambition and energy enough to go and develop himself along those lines. Instead of sending ten men to look at the problems and receive ten different views, he just gets up and goes to see for himself. He travels from Nova Scotia to British Columbia if he thinks it is necessary. That kind of travelling is no pleasure jaunt.

Mr. CRUICKSHANK: It is, to British Columbia.

Mr. WARREN: I remember hearing—I did not hear it from the Minister of Agriculture, because he takes it all as a part of the day's work—that we were going to be asked to vote money to take care of certain portions of Alberta and Saskatchewan under the relief system. The federal government was asked to be responsible for one hundred per cent of the cost of relief in certain portions of Saskatchewan and Alberta. I have not the figures with me and I cannot give the exact numbers but I do know that the Minister of Agriculture took his car, did most of his own driving, took some other men with him and travelled some thousands of miles all around the territory concerned. He ran up a tremendous mileage every day, and did the job himself. He might very well have sat in his office in Ottawa and asked someone else to do the job. It was a big job. It is not any fun; it is hard work; but the minister, because he had been there and had seen the situation for himself, was better qualified to understand it and handle it.

Mr. ROSS (Souris): He wants to do that now, but you are holding him up.

Mr. WARREN: That is all right. If the hon. member for Humboldt will give the minister a chance by giving him some data with regard to the accusations he made, then we shall get along.

I should like to say to the hon. member for Humboldt that so far as I am concerned, since I have come to know the minister I have the utmost confidence in his ability. One of the reasons for that confidence is that he goes and sees for himself. I do not know where you would find any man who would have the ambition to make those tiring trips. It is true that he does ask us to vote money for these things. Sometimes when we see the amount we just gasp. For example, when he asked us to vote money to purchase all the surplus apples in the Annapolis valley and in the Okanagan valley, naturally we gasped. But the apples were purchased and processed and put on the market; the apple situation in Ontario was cleared up, and that problem was solved. When there was a surplus of butter we were asked to pass legislation which would remove that surplus off the market. That succeeded. Many similar problems have been brought to the attention of the Minister of Agriculture, and he found a way of solving them. So far as I am concerned I have no complaints regarding his expense account. And I challenge the hon. member for Humboldt to find any padded accounts in the personal accounts of the Minister of Agriculture.

There is no reason why I should undertake to scold or educate, because I am not capable of it.

Mr. WOOD: You are too modest.

Mr. WARREN: I shall put it this way: there is no reason why I should undertake to advise the hon. member for Humboldt, but I was surprised to hear him refer to swivel-necked politicians.

Mr. CRUICKSHANK: Let these other fellows on the side turn around.

Mr. WARREN: A few days ago the hon. member for York East referred to this house as being the greatest hot-air joint that he knew anything about. When I hear expressions of that kind I always remember that when Hitler was striving to bring about a revolution in order to attain office for himself and his body of gangsters, one of his favourite methods was to belittle the public men who were giving their service to his country, to treat them with contempt, to treat their parliamentary system and organizations with contempt. When I hear expressions of that kind applied to our public men and our public servants it gives me a cold chill, because I remember what happened in Germany. After all, if we cannot respect ourselves and our fellow members of parliament and our public servants, how can we expect the rank and file to have respect for us? If fellow members of parliament and public servants are referred to as swivel-necked politicians and as talking hot air, I do not think there is very much chance to get the respect of the rank and file, especially in such critical times as these. I think that is one of the things we ought to be very careful about.

Mr. LEADER: I should like to take this opportunity to make a few observations in regard to agriculture. I assure the committee I shall not be long; but if I were to keep quiet at this time my silence might be construed as a repudiation of the opposition I have expressed to some of the legislation brought down by the government through my esteemed friend the Minister of Agriculture. I shall have some commendation to offer, and perhaps some mild criticism. I want to commend the action of the government in setting a price of $1.25 a bushel for No. 1 northern wheat at Fort William.

Mr. GARDINER: That is an advance, not a price.

Mr. LEADER: That is so, and I hope the initial payment will be followed by a substantial final payment. That would be only fair. I am glad the minister said it was only an advance. We are living on the same continent as our friends to the south. Even if we are paid $1.25 a bushel for our wheat at Fort William it means only $1.10 at Portage la Prairie for No. 1 northern, and we have not had any No. 1 northern there to my knowledge for perhaps three years, though I have never grown better wheat than we have produced during that time. I was going on to say, however, that when our neighbours to the south set a cash price of $1.70 there should not be any opposition to a price of $1.25 for Canadian wheat, which is much better wheat than they have in the United States.

I want also to commend the announcement by the minister of the discontinuance of the wheat acreage reduction bonus. I do not think this action will be regretted. On the contrary, I believe it will cause profound satisfaction not only in western Canada but all over this country, because I am convinced that many hours of discussion in this house would have been avoided if we had not had to listen to the opposition put forth by hon. members from Ontario, though I am not blaming them.

Mr. EVANS: We are reaping the benefit now.

Mr. LEADER: The minister says we are reaping the benefit now. How can he say that when he is only giving us $1.25 a bushel for wheat which is worth $1.70 on the other side of the line?

Mr. GARDINER: I did not say anything.

Mr. LEADER: Well, some hon. member did.

Mr. EVANS: I was speaking of the Ontario farmers, who are reaping the benefit in connection with coarse grains now.

Mr. LEADER: The Ontario members can defend themselves, but I have always taken the attitude in this house that members from the west as well as members from Ontario should have the best interests of this country at heart, and there should be no division between east and west. I have never done anything to cause such a division. Canada for Canadians both east and west.

Mr. McNEVIN: I do not think the hon. member should class all the Ontario members together; for I believe I stood with him when he asked for a higher price for western wheat.

Mr. LEADER: Yes, Mr. Chairman; when the hon. member was making a speech in this house two or three years ago in which he suggested that the price of wheat should be increased I asked if he would agree to a further increase, I just forget the figure I suggested, and he replied, "We will face that when we come to it." I know he did favour an increase, however, and I told my people at home that when we were pleading for the government to give us a price of 80 cents for wheat the Ontario members would have supported a price of $1—not on all our wheat, of course, but on the proportion the government could buy. That has always been my stand in this house.

All these interruptions have sidetracked me on to another theme, so that it may take me a little longer to conclude my remarks. I was going on to say that the demise of the wheat acreage reduction bonus is not regretted, but I wanted to add that before burial is consummated I should like to review the remains. I know that certain hon. members on this side and perhaps some on the other side of the house, have declared substantially that all our farm legislation during the past four years has been infallible. I do not want to take that view, because, as I said at the commencement, it would be a repudiation of my words and actions in this house during that period of time. When I took that stand I said I was speaking not only for myself but also for my constituents, and if I have to face my constituents again they will have my record before them. I was speaking also for the western wheat pools. Time after time they criticized government legislation in regard to the wheat acreage reduction bonus and offered suggestions which I think should have been accepted. I spoke also for the Canadian Federation of Agriculture. More than once they submitted proposals to the Minister of Agriculture which I think would have been far more beneficial to the people of Canada than the legislation the government put through. I remember that I supported the delegation which came here from the three prairie provinces, headed by John Bracken, when it was intimated that the fixed price would be 60 cents a bushel; I do not know whether that was the announced policy of the government at that time, but it was intimated, and they came down here to defend the price of 80 cents. I, together with five Liberal members of this house, voted against the government on that occasion; and among the five was our dear departed friend, the former Minister of Agriculture, Mr. Motherwell. Then when that well-remembered Saskatchewan delegation came to Ottawa to plead for $1 wheat I supported their conten-

tion; I thought then and still think it was reasonable. So I say that the wheat reduction bonus was wrong in conception and inequitable in administration. It could not be otherwise, because, as I have said before in this house, more than a third of the farmers in the three prairie provinces did not participate in its doubtful benefits. The minister knows that very well; I gave the figures in a previous speech.

Mr. GARDINER: But 182,000 of them did.

Mr. LEADER: That is less than two-thirds of the total.

Mr. GARDINER: Not of the wheat growers.

Mr. LEADER: A great many farmers have only a small acreage in wheat; perhaps fifty per cent of them have less than fifty or sixty acres, and those farmers were not protected at the very low prices we were getting and the quota we had to have. I am not quarrelling with the quota, because it was necessary, but one year it was paid on only three bushels to the acre, at 70 cents a bushel. Imagine what a farmer could do with that amount of money in paying his threshing gang, buying twine and so on.

Now I come to what I suggested to the government. I realized that we had a surplus of wheat in Canada and that the price could never go up until we either got rid of that surplus or at least substantially reduced it. At the same time I realized we had not a market for all our wheat, but we had one for a certain portion of it. I argued that if the government would come out boldly and say to the farmers of Canada, "We can sell 280,000,000 bushels of your wheat. We will pay you a fair price for it per bushel, and if you wish to grow more wheat, you can take care of it yourselves," we would have rid ourselves of paying for the storage of millions and millions of bushels, storage charges paid to the elevator companies of this country, including the pools. I know someone will mention the pools. That has been done before, so I will say, "including the pools." I argue that if the government had paid us a fair price, a price which most of us agreed should have been about a dollar a bushel, they would not have needed the wheat reduction bonus. Let me remind the committee that I am criticizing only that one bonus, namely the wheat reduction bonus. Some of the other bonuses, especially those provided under the Prairie Farm Rehabilitation Act, command a great deal of respect from me. I believe there are great possibilities in that measure, and it should be continued in operation. And yet there are dangers, may I tell the Minister of Agriculture. I repeat that there are dangers in that act, because if we persist in paying farmers to grow wheat on land which should be in grass, then we are doing an injury to our country, and injury to the farmers who stay on that kind of land.

Yes, a fair price for the wheat, and we would have got away from that bonus. We could have built our granaries on our farms. Possibly I should have said at the outset that for two years farm storage was paid to the farmers, and was then discontinued. If we had been granted the storage charges paid to the elevator companies, we would have had that money. The farmers could have built their granaries and the government would not have been out one cent. They would have got it all back. But, while that was the policy of the United States, it was not the policy of this government. I shall not go into further detail in that regard.

May I commend the government upon its anti-inflation policy? Certainly it is necessary to hold down the prices of farm products. Where would they go, if we did not have set prices for them? They would rise to the price levels in the United States. I am dealing particularly with wheat and coarse grain. The result was that we had to have some control over prices. By that action undue inflation was prevented. Farmers are just as keen as any other class of people in their desire to prevent inflation, and I now commend the government for its action in that regard.

May I compliment the Minister of Agriculture, too, upon the long-term agreements he is endeavouring to make. I have in mind particularly the four-year hog contract with the old country. Whether the terms have been finally agreed upon, I cannot say; but the endeavour is well worthy of commendation.

May I compliment the government, too, for the inference contained in the speech from the throne with respect to the setting of floor prices on farm products. That is a splendid undertaking. Nothing will give the farmer more confidence than the knowledge that when the war is over he will be able to realize from the sale of his products at least the cost of production—at least, I say, the cost of production. I should add that if he is to continue in business he is entitled to a fair margin of profit above that cost of production. That is a hope which we may carry with us, and we trust that that will be the government's policy. But if those floor prices are not adequate they will be of no use to the farmers. I believe it was the federation of agriculture that suggested that the present ceiling prices on coarse grains should be the floor prices to continue after the war. I shall not argue the

merits of that suggestion, but I do know that unless the floor prices are adequate we shall have economic disturbances after the war.

Just before coming to Ottawa I attended a meeting in Portage la Prairie, and suggested that the government's action in setting floor prices should be commended. I asked at that time that a resolution of commendation be passed, but that it should be pointed out that unless the floor prices were adequate, such legislation would be insufficient. I had to leave the meeting hurriedly to catch the train, and I do not know whether or not the resolution was ever passed. It was suggested further that the resolution should be sent not only to the hon. member for Portage la Prairie, but also to a certain member from Alberta. I said if they were going to do that I would suggest they should send it to at least every member of parliament from Manitoba, irrespective of party. I pointed out, too, that if they were going to seek out any one or two members they should, by rights, send the resolution to every member of parliament. But as I have said, I do not know whether it was passed. I did not receive a copy of it, and if any other hon. members have, then they have that advantage over me.

There is one other point I would mention. I was in Ottawa in September, when the Liberal convention was held. While we were in session the announcement was made that we would be paid 10 cents a bushel on oats and 15 cents on barley. Mind you, I do not call that a bonus; it is not a bonus at all. It is only the price we would be getting for the grain if we were shipping it to the United States.

Mr. ROSS (Souris): It is not that price, either.

Mr. LEADER: It is just a little higher price.

Mr. GARDINER: We guaranteed a floor, no matter what it sold for in the United States.

Mr. LEADER: All members who discussed the matter at that time were pleased that the announcement had been made, but we agreed it was going to upset the equilibrium of the hog industry unless the government gave a bonus to cover the extra 10 cents a bushel on oats and 15 cents on barley. We thought that was a reasonable procedure to take. And, by the way, I had expected the minister to say, "You are getting the bonus." But there is the trouble; there was a delay of three or four months before the announcement came with respect to the extra three dollars on grade A and two dollars on grade B-1. Meantime we heard, although statistics now prove differently, that thousands of sows and immature hogs were being sent to the stock yards, because barley and oats were worth more when sold as grain. That was the situation. Is there not some other way of doing business, some way which will not upset the equilibrium?

Mr. GARDINER: Instead of just listening to that story, I went out and checked on the farms.

Mr. LEADER: Meantime the hogs were going on the market.

Mr. GARDINER: But they did not; as the hon. member has said, they did not go.

Mr. LEADER: I said the figures showed that they did not go. But we cannot go altogether by those figures; more hogs might have remained on the farm and we might have had increased production.

Mr. GARDINER: And the hon. member cannot go by propaganda put out by interested people, either.

Mr. LEADER: There is the situation. Farmers I talked to said, "Why in blazes did they not announce the bonus on hogs when they announced the increased payments on barley and oats?"

That is all I have to say in the matter. The criticism I offer may be regarded as unwarranted. However, I am just handing it out to the minister and the government, and I am showing that that was the sore spot with the hog growers not only of western but of eastern Canada also.

Mr. ROSS (Souris): I should like to take up with the minister one or two matters which probably involve two departments, because we have production under the Department of Agriculture and marketing under the Department of Trade and Commerce. I have been receiving letters from farmers in the west during the past few days pointing out that they think the government should guarantee a fair floor price on oats and barley, otherwise they will seed their entire acreage this year to wheat. Some of these farmers will begin seeding operations in a month's time, and they should know what they can expect as a floor price on coarse grains.

I know there is a price now, but I think the floor price should be what it is now plus the bonus referred to by the hon. member for Portage la Prairie, although he did not call it a bonus. This would give the farmers a return far below the prices prevailing in the United States. I put some figures on *Hansard* on February 1 when I was speaking in the debate on the speech from the throne. The

government should be able to give the producers some assurance as to what they can expect as a floor price on coarse grains. If that is not done our whole programme of production will be disrupted and we shall be disappointed in the acreage sowed to oats and barley in many sections of the west.

The next matter I should like to refer to has to do with flax. The government have announced that they will pay $2.75 per bushel for flax grown this year. In my opinion that price is not satisfactory, and this is borne out by what has been said by many who are more conversant with the matter than I am. The government itself realize that this is the case because in the quarterly review on Canadian coarse grains dated February 14, 1944, they point out in connection with flax:

—a further increase of 500,000 acres took place. A new high was established in 1943 when 2,947,000 acres went into flaxseed.

Maintenance of the 1943 level of acreage in 1944 was the objective presented at the dominion-provincial agricultural conference last December, but a much lower acreage in 1944 was indicated for the west, especially by the representatives from Saskatchewan. It is believed, however, that the figure which emerged from the conference and which showed a reduction of about 1,000,000 acres from the 1943 level as the probable acreage in 1944 is not acceptable to those charged with the wartime programme affecting fats and oils. Every effort will yet be made to repeat the 1943 flaxseed acreage this year.

The price of No. 1 C.W. flaxseed to the grower (basis Fort William) was raised to $2.50 per bushel as of August 1, 1943, an increase of 25 cents per bushel over the previous fixed price, and unlike wheat and coarse grain, this crop can be marketed without quota restriction.

The statement goes on further, but I shall not burden the committee by quoting it. During the past few days a meeting was held in Winnipeg of the national barley and linseed flax committee, and they recommended to the officials in Ottawa a price of at least $3.25 per bushel for flaxseed, in keeping with need and price relationship to the standard crops. Flaxseed is not an attractive crop to grow and should be worth two and one-half times the price of wheat. Mr. F. H. Lehberg, the technical adviser to the oils and fats administration, wants a supply of flax on hand in order to trade with the United States.

The government have admitted that they do not think they will get this production. I would point out that the guaranteed price in the United States is $3.05 per bushel in their funds, which means approximately $3.35 in Canadian funds. There is quite a difference. If this production is essential we should have an enhanced price in order to get the desired production. In my part of Manitoba flax is not grown extensively. Many of those who endeavoured to grow it during the last two or three years do not intend to do so under the present rules and regulations and the prevailing price. If it is essential I hope the government will reconsider the price.

These are important matters. The hon. member who preceded me (Mr. Leader) said that he thought the producers in Canada should receive the same prices as are being paid in the United States. I have advocated on previous occasions that there should be no trade barriers between the united nations. There should be freer access to the markets of the united nations for goods which are essential to our war effort. The other evening it was announced that meat rationing would be abandoned for the time being, but I do not think this will prove a cure-all for the difficulties we are facing in the marketing of cattle. I have wondered why we do not have access to the United States market for our live stock, especially when we are fighting our battles side by side. It has been pointed out before that the margin is not great enough between feeder or stocker cattle and finished beef. Men cannot buy cattle and feed and make a profit with the spread that now exists.

There are also some minor difficulties in connection with hog marketing. I have suggested on previous occasions that because of the great increase in the production of live stock, especially hogs, we should have a live stock commission to look after marketing problems. I still hope the government will consider this matter. I repeat that I hope the government will be able to tell the producers of this country what they may expect as a floor price for the coarse grains they produce in 1944. Something will have to be done to encourage them to increase their flax acreage, and a few weeks hence will be too late for this information to be of any value.

Mr. GARDINER: So far as flax is concerned just a few days ago the Minister of Trade and Commerce made an announcement that the guaranteed price this year would be $2.75 per bushel. I do not know that there is any intention of changing that announcement. So far as oats and barley are concerned, the guaranteed return is the floor price—on oats it is 45 cents a bushel, and on barley 60 cents a bushel—and in addition there is a further guaranteed return of 10 cents a bushel on oats and 15 cents a bushel on barley.

Mr. ROSS (Souris): For 1944?

Mr. GARDINER: I am speaking of the period up to the end of July, 1944. The actual return is about six and one-half cents

higher than that on oats, or 51½ cents, and on barley it is 64¾ cents, or approximately five cents higher than the floor. Then in addition there is the 10 and 15 cents per bushel which is guaranteed no matter where the price is between the floor and the ceiling. Also in addition there is guaranteed to the farmer the actual return obtained from selling oats and barley in the United States and in Canada, if it is more than the 10 and 15 cents per bushel. The 10 and 15 cents a bushel is simply a guaranteed return, that is, we guarantee the floor price plus the 10 and 15 cents a bushel. No matter what the price is in Canada, or no matter what the price is in the United States, the government will see that that is paid, but if the price goes up to the ceiling in Canada, the producer gets the additional price. If the price of oats and barley sold in the United States is sufficiently high to make further profits, those profits are divided under participation certificates. I do not think there is any possibility of those prices being lowered for the crop being sown in the next two or three months.

Mr. DIEFENBAKER: There are several matters in connection with agriculture which I wish to bring to the attention of the minister. I should like to secure from him answers to several questions dealing with particular matters, as well as to some dealing with the situation in general.

With regard to the request of the hon. member for Souris that there should be an increase in the price of flax, apparently the view he expressed represents the views of the members of the legislature of Saskatchewan, for only a few days ago a resolution was introduced there requesting, among other things, that because of the hazards in flax production and the urgent need for oil, the federal government should give immediate consideration to the desirability of increasing present guaranteed prices for flax and other oil-bearing seeds. I find that there is general support for the request which has been made by the hon. member.

On the question of farm income, farmers generally throughout Canada have had their hopes considerably raised by the government's promise that it intends to bring into effect a floor for farm prices. But legislation setting out farm floor prices will be ineffectual unless the parliament of Canada secures the necessary powers to pass such legislation. The general feeling and demand throughout the west, and throughout Canada, is, I think, that the most effective method of maintaining an increasing farm production through the establishment of price levels would be by stabilizing the floor prices at levels sufficient to guarantee to all producers returns comparable with those of persons engaged in other industries. to use the words of the resolution introduced in the Saskatchewan legislature. I should like to hear something from the minister in regard to this matter. The promise of a floor base for farm prices will mean nothing after the war, after the terms of the War Measures Act cease to be operative, unless there is either an amendment to the constitution as it now stands or enabling legislation passed by the provinces. I brought this matter up on one occasion previously, and the minister in the course of his reply merely touched the subject without going into it in any detail. All of us believe in the necessity of establishing farm floor prices, but a promise not made effective by legislation will remain but a promise, without being implemented.

Mr. BLACKMORE: Does my hon. friend see any constitutional difficulty in the way of the government establishing floor prices by means of subsidies?

Mr. DIEFENBAKER: At the moment I was not dealing with that particular phase, but it does raise an interesting question. What I was going to point out was that if the government in setting floor prices does not secure the support and cooperation of the provinces, then its legislation, while it will offer a promise of assistance to agriculture, will be ineffectual.

Mr. GARDINER: That will depend on the nature of the legislation.

Mr. DIEFENBAKER: I am not going to ask the minister to deal with the legislation itself but would ask that he answer one question. Has the government secured the legal opinion of the Department of Justice to the effect that this parliament has the power to bring into effect such a system of basic farm prices effective after the conclusion of the war? If the minister gives that assurance, if he tells the house and the country that the Department of Justice answers that question in the affirmative, then a promise that is so looked forward to by the farmers of Canada may very well be carried into effect. But if that assurance is not given, this promise may be mere window-dressing. In answering, the minister does not have to disclose what the scheme will be or the nature of the legislation to be introduced. All I ask him to do is to bring hope to the Canadian farmer that the legal right, power

and jurisdiction rest in this parliament to implement a promise which holds out so much hope to the farmers of Canada as a whole.

I pass to another phase, and that is in connection with the plans for the future development of agriculture. I think Canada was greatly honoured in the appointment of the Minister of Agriculture as a member of the united nations food board. I think he has a great contribution to make there. This board met some months ago and made plans for the future, for the interconnection of north American food problems, for Canada's contribution in the production fields. According to the news item I have before me, the importance of Canadian food supplies made it "appropriate and desirable" that Canada be represented directly as a member of the board. This board was set up originally in June, 1942, to coordinate the prosecution of the war effort by obtaining a planned and expeditious utilization of the food resources of the united nations. I think the country has the right to ask for a report from the minister as to the stand Canada is taking on this food board, as to the plans that are being made for the correlation of food production in the United States and Canada. Canada contributed a billion dollars last year to mutual aid. How much of that billion dollars represented agricultural products? To what extent was the future market for Canadian farm products established by the fact that there was delivered under this scheme a large proportion of Canada's food production?

In the United States the farmer has been encouraged in the disposal of agricultural products by the assurance that his surplus production otherwise not disposable will be absorbed by the system of lend-lease. According to the figures I have, in the two years of lend-lease between March, 1941, and February, 1943, the United States expended more than $9,500,000,000 in connection with the administration of that vast and important organization for victory, and of this amount foodstuffs and agricultural products accounted for $1,449,-064,000. That is to say, fifteen per cent of the total amount advanced for mutual aid went in the disposal of surplus agricultural products. I should like to secure a statement from the minister, and I think the country has a right to it, as to the policy of the government in the disposal of agricultural products under the system of mutual aid. What proportion of the amount disposed of by mutual aid consisted of agricultural products and the like?

I pass to another matter, which has already been mentioned by the hon. member for Souris. It is generally agreed now that a substantial surplus of beef will be on hand in Canada. Will the minister place before us something of the representations, if any, that have been made for the export of our surplus beef to the United States, for the removal of any embargo that there is to-day. What is being done in this direction? During the past few days I have had a number of letters from farmers, pointing out that it is difficult for them to market heavy beef at the present time, there being no market in Canada. Surely, when the United States and Canada can co-operate in a great united nations food production board, it should be possible so to correlate production between the two countries that any difficulties in the marketing of our beef might be removed at this time. I would ask the minister to enlighten the committee in this regard.

The hon. member for Portage la Prairie (Mr. Leader) mentioned the wheat acreage reduction policy and its discontinuance in the present year. I do not know what the situation is in Manitoba, but I have received a considerable amount of correspondence from Saskatchewan in regard to this matter, pointing out that, in view of the great need for coarse grains for live stock production and the furtherance of that programme, the wheat acreage reduction policy should be continued during the present year. The minister has already stated that it will not be, and I would appreciate it if he would tell the committee why this policy was so abruptly discontinued after many farmers had done their summer-fallow operations in 1943, believing that it would be in effect in 1944.

Furthermore, and this is something peculiar to my own constituency, under the Prairie Farm Assistance Act there is an area which the minister knows of near Bethune in which over a period of years the farmers have had little or no crop, and yet under the law as it now stands they are unable to get any assistance through that act. I realize that legislation cannot be brought down to cover every possible contingency and to meet individual cases; and while I am very much opposed to orders in council and to order-in-council government, there are occasions when orders in council may be utilized to protect the rights of individuals. There are a number of farmers in that area who for several years, while contributing year by year, are in a position where they are denied that payment, separated as they are by a valley from the township in which the prairie farm assistance allowance is paid. I would ask the minister to look into

the situation to the end that these farmers be given consideration in the payment of this allowance.

There is one other matter that was dealt with by the hon. member for Souris. Some months ago Mr. John Bracken came out in favour of the establishment of a board of live stock commissioners. To-day that is a matter of universal demand without regard to party considerations. We have asked for it in the interests of the live stock producers; my hon. friends in the C.C.F. have asked for it, and in the legislature of Saskatchewan a resolution has been introduced requesting the establishment of such a body with producer representation. That resolution was introduced by two Liberal members in the legislature. Would the minister be prepared to advise the committee as to what attitude the government is taking with respect to the establishment of such a board and whether the matter is now under consideration.

I shall now refer to the matter of releasing wire for hog and poultry fencing. I would point out that the farmers are asked to produce hogs and poultry, and yet no arrangements are made to secure for them a release of the necessary allotment of wire for the purpose. There was for a time an order in effect freezing nails and wire. That order remained in effect while threshing operations were taking place in the west last fall. The farmers could not get the necessary nails to build granaries at the time they required them. Later on, by the time a good portion of the threshing had been completed in many parts of the province, the order was lifted and a general supply of nails was made available. I trust there will not be a repetition of that situation this year, which was most serious in parts of Saskatchewan. The farmers were able to get the necessary lumber, but could not get nails and they found themselves in the position of having to dump the wheat on the ground. The fact that such a condition exists shows that there is not the necessary cooperation between some of these war boards and the Department of Agriculture. There is need even to-day for an increase in the supply of wire, and I would ask the minister to bring to the attention of the board which is in charge in that regard the needs of the farmers and to request from that board a release of further amounts for the purpose.

These are a few of the matters on which I think the committee and the country deserve enlightenment from the minister. They are brought forward, not in a spirit of partisanship but from a desire to direct to the attention of the minister such conditions as, in my opinion, deserve to be brought to his notice. They should receive serious consideration immediately.

[Mr. Diefenbaker.]

Mr. GARDINER: As regards floor prices, all I can say at the moment is that the government has on a number of occasions announced its intention of establishing a system whereby floors will be possible under farm commodities after the war as well as during its progress. It has been made through a plan which at present we are operating under the War Measures Act, and that act goes out of existence six months after the war is over, in which event anything done under the act will cease to be done.

The matter of preparing legislation to be brought down this session has been referred to officials of the department and is being considered with the Department of Justice. I am not aware that there is any difficulty whatsoever in setting up a plan under which that policy can be carried out, a plan which will be within the rights and powers of the parliament of Canada.

Mr. DIEFENBAKER: Has such an opinion been secured from the Department of Justice?

Mr. GARDINER: With the assistance of the Department of Justice officials of the Department of Agriculture are proceeding to draft legislation in which it is contemplated we shall do first something which we have done before with the consent and advice of the Department of Justice. That was done even before the war started. I do not think there will be any more difficulty in doing it after the war is over than there was before the war started. That is all I wish to say at the moment, because the matter will be discussed more fully when the legislation comes down. But my opinion is there is no doubt that we can provide legislation which will make it possible for us to establish returns to farmers on a floor basis.

Mr. BLACKMORE: Does the government scheme for putting floors under agricultural products involve the putting of ceilings on costs entering into the production?

Mr. GARDINER: I would judge that whoever happens to be minister of agriculture at any time when the legislation is being put into effect will take into consideration the question of costs at the time that any floors are being arranged; but I am not in a position at the moment to say how that matter will be dealt with in each individual case.

Mr. DIEFENBAKER: Will the minister permit one further question? What legislation had he in mind as having been in existence before the war?

Mr. GARDINER: I am not speaking so much of legislation as of things that we have done.

Mr. DIEFENBAKER: What did the minister have in mind?

Mr. GARDINER: There was nothing illegal in our going and buying cattle in the western part of Canada during the drought period. There was nothing illegal in our buying one million pounds of butter and giving it away in 1938. There was nothing illegal in a number of things that have been done, and the principle can be applied. It is not a question of there being any legal difficulty; it is a question of whether or not the House of Commons and the people generally will agree with the policy which is proposed under which it is to be done. I repeat I do not think anyone need to fear that it is not possible to carry out the policy which has been announced, and which, I believe, can be carried out. I am quite sure that Mr. Bracken assured himself of that before he adopted the same policy that we announced previously.

Mr. GRAYDON: The minister had better not be humorous about this.

Mr. GARDINER: So far as beef is concerned, the suggestion is made that the committee ought to know something about the relationship of Canada's position to that of the United States. Hon. members of the committee know that prior to the war we had a trade agreement with the United States. That trade agreement still exists. It provided for our sending to the United States 193,000 head of beef cattle, weighing seven hundred pounds or more, in any particular year, provided we could deliver that number with quotas divided up into four covering three-month periods throughout the year. Let me repeat, that provision is still in the agreement which we have with the United States, and that agreement has been extended from time to time. But in 1942 we found it impossible to feed our own people on the beef which was coming to market. Because of the limitations which were placed on the consumption of pork we found it impossible to feed our own people and at the same time supply the United States market with the quota which might have been supplied under the agreement. I should like to call this to the attention of the hon. member for Portage la Prairie who is not in his seat at the moment. The policy that he speaks so much in support of is the policy which is largely responsible for what had to be done. It is becoming a habit in the house and outside for people to criticize things that the government has done and then follow this up with the statement: "I am a very strong supporter of price control". One cannot be a very strong supporter of price control as we have it in the Dominion of Canada and at the same time say that our price levels must be the same as they are in the United States. The price controls in the two countries are not the same. The situations governing the necessity for price control are not the same and therefore, of course, differences must exist.

That was true with regard to beef cattle. We had a price ceiling. We had a wage ceiling. There is a relationship between the wage ceiling and the price ceiling. If you permitted cattle to be sold in the United States on the United States price level of that particular time, then only one thing could happen. Not only would you not have any beef for sending to Great Britain, but you would not have enough beef to eat in the Dominion of Canada if you maintained your price ceiling. Therefore, one of two things had to be done. Either the policy which everyone seemed to be in support of had to be abandoned, or there had to be some Canadian attempt to control the marketing of beef. Accordingly it was determined that cattle would be kept on this side of the line as long as they were required here, and that if there were any surplus to be sent out of Canada, that surplus should be sent to Great Britain. That decision was not reached as a result of a discussion which took place on this side of the line only. It was a decision which resulted from discussions between the government of Canada and representatives of the government of the United States. It was thought inadvisable, for example, that the United States should import cattle from Canada and then lease-lend an equal poundage of beef to Great Britain.

When that statement is made some people say, "What about the arrangement that was made with Mexico?" Well, making an arrangement with Mexico is a little different from making an arrangement with Canada. Mexico is not a part of the British empire, and up to the present Mexico has an entirely different relationship to the war from that of either the United States or Canada. Therefore the United States people might accept an arrangement which is entered into as between Mexico and their own people and at the same time have reason to object to cattle coming from what is a part of the British empire into the United States and they in turn giving it to the British. The natural thing for those who are producing cattle in the United States to say is: if anyone is going to give or provide, under mutual aid to Great Britain, beef which is

purchased in Canada, then it ought to be the Canadian government and not the United States government that does it. Therefore the position is this. There is a complete understanding between the United States and Canada. There is no possibility of any misunderstanding regarding any relation to the trade agreement which was made before the war, as a result of what has happened up to date. The United States people understand the reason for it. They are in agreement with what is being done. I am not so sure that they might not suggest that it ought to be done if the Canadian government had not considered their position in the matter when the policy was announced.

That brings me down to the time when we found that there was a surplus of certain kinds of beef in Canada. I would remind the committee that since the house was in session last year an arrangement was made, and it was announced in the house. Under the arrangement the meat board of the Department of Agriculture can purchase beef. That arrangement was to the effect that when beef—not cattle—which was being sold on this market reached the floor or came within one-eighth of a cent of the floor, the meat board of the Department of Agriculture could purchase that beef and put it down for freezing in order to send it to Great Britain.

We have been operating under that understanding, I think since May of last year, and there was no necessity to purchase any beef under that arrangement until quite recently. A small amount was purchased before Christmas, I believe, and some has been purchased since that time; but in regard to creating a proper attitude in Great Britain toward the beef which is shipped from Canada the regrettable feature is that none of the higher grades of beef has been materially below the ceiling, in the form of either beef on the market or of cattle being marketed. The only beef that has been down to and below the floor is cow meat, and anyone who is familiar with the meaning of that term knows it is not the kind of meat we want to send to Great Britain in any volume. However, we have purchased some quantities of cow meat and meat from the lower grades of other animals and sent it to Great Britain, but we have not been able to purchase any of the higher grades under the plan which has been in existence.

Under that plan, in spite of all the discussion that has gone on in Canada in regard to people going out of the production of meat, the quantities coming onto the market have been increasing constantly; and it is not the lower grade hogs that have been coming on the market in greater numbers. As a matter of fact, the high grade hogs that are coming on the market have kept well up to the average for any period one might wish to take in connection with our marketing. I think we are still getting upward of 100,000 hogs a week more than we got at the same time last year, and a reasonable proportion of those hogs are of the grades which produce bacon which is sent to Britain. As a result we have considerable stores of bacon. At the same time we have more of the lower grades of beef coming on the market than we can absorb, and we have producers who are concerned as to whether they should place higher grades of cattle on the market, in the fear that they might be called upon to take a lower price than they had anticipated. I do not think it can be shown that any considerable number of persons have had to take lower prices for beef this year than they took in the same period a year ago. There is the occasional individual, of course, who sold high on the market last year and low on the market this year, who can send in a statement showing that he did not get as much this year as he got last year; but the latest averages I have seen indicate that prices across Canada for cattle have been higher this year than a year ago. We know, however, from the figures in regard to storage and marketing that there is, and has been for some time, the danger that so many high-grade cattle will come on the market in the spring of this year as to cause loss to those who have produced them, through the prices for cattle and beef going down to the floor, or through our storages being filled to the point where it is impossible for the plants to handle and process that beef as it must be processed in order to be sent to Britain. So that the action of a few days ago was taken, and I do not wish to go into that in further detail at the moment.

I come back to the point raised a few moments ago by the hon. member for Lake Centre, the question of our relationship to the United States with respect to the particular matter of the marketing of cattle. One has only to read the accounts of what has taken place in the United States in order to understand the situation there. On all these matters we are in the closest possible communication with the countries concerned. As a matter of fact, we were in communication not only with the government of the United States but with the government of Great Britain as to what ought to be done or what could be done to best serve the purpose. To understand the situation in the United States it is necessary only to point to the fact that a few hours before we took our action on Tuesday evening of this week, the United States, knowing

what we were expecting to do, took action themselves which indicated that they are having just as much difficulty in processing the meat that is coming to their plants as we are having in processing the meat that is coming to the plants of this country. In addition, they are having difficulties similar to ours in providing for the movement of meat from this continent to the other side in the quantities which are available here at the moment.

I need only recite these facts in order to make it apparent that it would be foolish for the Canadian government to reverse its policy at the moment in relation to the issue of permits. Up to the present the United States government has done nothing about the matter. The contract is as it was before the war. The understandings have all been maintained right through the picture. The United States understands why we have done what we have done, and our actions have been taken after consultation with them. If, under those circumstances we were to reverse our policy and say that we were not going to require permits for the shipment of cattle into the United States, or that requiring permits we were going to issue them immediately and allow our cattle to be shipped to the United States, at a time when they are experiencing just as great difficulty in connection with processing as we are, I need hardly suggest to the committee how the Americans would be justified in looking upon an action of that kind. It is not our intention to give them any reason to feel that we do not understand the difficulties of their position, just as we understand our own difficulties.

However, we are attempting to work out at the earliest possible date a plan under which we can send high-quality beef to Great Britain. The present intention is to work out a plan somewhat the same as that under which we have been operating in connection with bacon and ham. With a contract of some kind which will assure that shipping will be available to take whatever quantities of meat we feel can be shipped or ought to be shipped to Great Britain under the circumstances, we shall be able to assist in feeding the British population from surpluses we have here. We believe that if we are going to follow a policy of that kind it ought to be applied to the higher, rather than to the lower grades of meat. We were spending a considerable amount of money prior to the war in an effort to convince the British people that we could put a high-class of beef products on the British market. We were selecting some hundreds of cattle from time to time, and shipping them over to Great Britain in the form of baby beef. We were spending money in order to do that, and in order to demonstrate that we in Canada could produce good beef. Even during a considerable period of time before the war started, we had been selling on the British market in competition with Scottish-fed beef, and competing at even better prices, sometimes, than the Scottish beef was bringing. But the smallness of the movement, and the fact that it was only an experiment rather than a commercial activity, led to the fact that we lost money in sending that beef over. But we were prepared to lose money in order to advertise the fact that good beef of that kind could be secured for any market which might exist in Great Britain.

Now that we have an opportunity during war time of doing two things at one time, namely, doing a patriotic act and supplying beef to Great Britain at a time when she needs it, I believe we should demonstrate to the British people that we can supply good meat, the very best of it; because, when the war is over, if we are producing as many cattle as we are producing to-day—and all of us hope we shall be—we shall be requiring sooner or later a market for about 300,000 head of cattle. If we are not able to find that market on this continent, there is possibly only one other place where we can find a market, and that is in Great Britain. Therefore I say that we should establish the fact that we can produce in Canada beef which will compare favourably with beef secured from elsewhere. That, I think, is a full enough explanation of the government's present position and policy in connection with the marketing of beef. I would repeat that those policies are being followed with the fullest possible understanding between the British and Americans, with regard to the whole position.

Some suggestion was made by the hon. member for Portage la Prairie, and I understood, disagreed with by the hon. member for Lake Centre, to the effect that we were not getting rid of wheat acreage reduction payments any too soon. As a matter of fact, I believe the suggestion made was that we should never have had them.

Mr. DIEFENBAKER: That was not my suggestion.

Mr. GARDINER: No, that was not the suggestion of the hon. member for Lake Centre; rather it was that of the hon. member for Portage la Prairie. I believe the hon. member for Lake Centre would disagree with that stand, judging from what was said by him.

The hon. member for Lake Centre called attention to the fact that resolutions are being passed, or that they had been passed by different organizations in western Canada pro-

testing against the announcement made by myself to the effect that we are going to discontinue in this year the payment of the wheat acreage reduction bonus. I am pleased that these resolutions are being passed, because in the past I have heard in the house very little but criticism of the fact that we were paying on account of the wheat acreage reduction. Therefore I am glad that those outside the house who have had an opportunity of benefiting, or otherwise, from these payments, are now passing resolutions to the effect that it might be a good thing if the reduction payments were maintained.

Hon. members will, however, recall that there cannot be any misunderstanding among members of this committee as to the intention of the government in the first instance with respect to wheat acreage reduction. The main attack made by the official opposition upon me, as the minister introducing the policy, was that I had brought it in by way of regulation, and not by a bill. I gave my reasons at the time for bringing it in by regulation, and not by bill. I pointed out that it was not intended to make this a permanent policy, that it was only a temporary arrangement and, in answer to a question at that time by the hon. member for York-Sunbury (Mr. Hanson) I stated definitely that my reason for bringing it down by way of regulation was that we did not intend to continue it, and that in all probability it would not continue for more than one year.

At the end of that year, when we found it necessary to continue the measure for another year at least, I yielded to the suggestions of hon. members that it be brought down in the form of legislation. The measure was submitted to the committee on agriculture, if I remember correctly, and was finally recommended to the house and put into effect. Again it was made quite apparent that this could not be a permanent policy.

We have come to the conclusion that this is the time to discontinue the wheat acreage reduction payments. Our reason for that is, I am sure, apparent to most farmers of western Canada. The contention was, at the time the policy was introduced, that we should not be making acreage payments, but that we should be increasing the price of wheat—just as was stated a few moments ago by the hon. member for Portage la Prairie. We said at that time what he has already said, namely, that there would be farmers in western Canada producing three or five bushels to the acre, and others producing thirty or forty bushels to the acre; and that if we were to attempt to assist farmers to carry over from one period to another, producing the crop which we wanted them to produce, rather than one for which, for the time being, we had no market, we ought to provide that payments be made on an acreage, rather than on a bushelage basis. More particularly was that so when we were asking them not to grow so much wheat, but rather to grow more oats, more barley, more feed crops and to produce more live stock. We felt we should not take that action by raising the price of the commodity we did not want, but rather should say that in lieu of that particular commodity we would prefer to make a certain payment on an acreage basis.

There has been only one condemnation I have ever heard, since the policy has been in effect, and since it has been found that 182,000 farmers took advantage of it. And now it should be recalled that there was never anything in the regulations which compelled anyone to take advantage of it. We simply said to the farmers, "Here is the condition: If you wish to grow wheat, you can grow it. The government will give you an advance. We will pay you an advance upon it if you deliver to the wheat board, and give you a participation certificate. Then, some day we will pay you the earnings from that wheat, if it is sold for a higher price. If you can get by for any term of years under a system of that kind, then go ahead and grow all the wheat you like." Some people did that. We said to others, "If you require to have cash coming in week after week and month after month from something you have to sell, there is only one way we can guarantee that, namely; if you feed live stock. If you feed live stock we can sell everything you produce and get you increasing returns from year to year." I repeat that 182,000 farmers who had been producing considerable acreages of wheat took advantage of the suggestion that if they would reduce their wheat acreage and put in something else or put their land to summer-fallow, the government would pay them certain rates per acre. The fact is that the government has paid over $80,000,000 since that policy was brought into effect. That is no sum to be laughed at by anyone anywhere, particularly by those who have been growing wheat in western Canada.

Mr. BLACK (Cumberland): Or by those in the maritime provinces.

Mr. GARDINER: Or by those in the maritime provinces. We did not forget Ontario and the maritimes. As a matter of fact, some of the highest payments made out of the treasury to farmers since the war started were paid to some of the farmers in the maritimes.

Mr. GRAYDON: There is no part of the country that needs it more.

Mr. GARDINER: I agree. As I say, the fact is that $80,000,000 was paid under the programme. I was surprised to hear the hon. member for Humboldt make the statement he did the other night about inspectors who had gone out under the acreage payment plan. A considerable part of what was paid out, not only under this plan but under the prairie farm assistance plan, was paid out in the area which he represents in this house. I have no doubt that any inspector who called upon him in order to ask his opinion did so in the same way as he called upon others. I am a little surprised to know that a man who has been the reeve of his municipality, a member of the provincial legislature and a farmer over a long period of time could not, while he was driving a combine himself, tell the inspector how much his land was going to yield per acre without driving around the field a few times with the combine. I am sure that if he expected an inspector to walk over, take a look at it and make an estimate without going more than three or four hundred yards from the road, he should have been able to tell the yield fairly closely when he had been growing grain on that field for a number of years.

Mr. BURTON: May I correct the minister and tell him that I never was reeve.

Mr. GARDINER: Perhaps I was giving the hon. member too much credit.

Mr. BURTON: I do not want more credit than is coming to me. But I still stand by what I said. When that man came there and made that sort of estimation I was not going to waste time talking to him. The minister knows well enough that there were plenty of inspectors running around who were useless.

Mr. GARDINER: What year was that?

Mr. BURTON: That was the year in which the minister required farmers to report to the elevators and take an affidavit as to the number of bushels they had threshed. I wanted to know why it was necessary to have inspectors running around before the farmers were in a position to do that.

Mr. GARDINER: Was that in 1941?

Mr. BURTON: 1938.

Mr. GARDINER: There was no such thing in existence at that time.

Mr. BURTON: It was the year they had to go to the elevators.

Mr. GARDINER: 1939, probably.

Mr. BURTON: I would not be definite as to the year. I know it was the only year the farmers were compelled to go to the elevators to make a declaration.

Mr. GARDINER: As was stated to the house at the time the regulations were brought in, the prairie farm assistance was to be paid on a township basis, on the estimated yield in the township rather than on any individual farm. The reasons for that have been given many times. Inspections were made while crops were growing and again when the crops were being threshed. Certain announcements were made as to what townships would come under the regulations, and other townships claimed that their land had not been properly inspected. These complaints came in through the municipal councils and the government undertook to make a check of a certain number of townships well scattered over the area in order to determine how close our inspections were to the actual threshings. We found that they were uncannily close to the actual threshings.

There are members of this house who covered their districts to make absolutely certain that those checks were properly made. They did not sit beside their fields and refuse to give information to the inspectors who came around; they helped the inspectors in every way possible and saw to it that the checks were properly made.

Mr. BURTON: I should like to ask the minister in what way—

The CHAIRMAN: The rule is that when an hon. member is speaking he must agree to another hon. member asking a question.

Mr. GARDINER: It is all right.

Mr. BURTON: I took it for granted that with the minister's usual good nature I would be given that privilege. Now that I have that privilege, I would ask the minister in what way he would expect any farmer with a crop as variable as that crop was to give an estimate of what it would be before he had an opportunity really to see what it was like. I contend that at that time no inspector or no farmer could make a reasonable estimate, and I still say that those inspectors were a waste of money.

Mr. GARDINER: I have before me what was said the other evening, but I am not going to read it. I do not think there is any doubt that the criticism the other evening was for the purpose of demonstrating to the committee that we had men checking these crops who did not know their business.

Mr. BURTON: I still stand by that statement.

Mr. GARDINER: The hon. member says that he still stands by that statement. The hon. member has been a farmer for a considerable period of time and has held some fairly

important positions, even though he has not been reeve of the municipality. Does he want the farmer members of this house to believe that he could not estimate that crop before he started to cut it? Does he want them to believe that he could not estimate, within two or three bushels of the actual yield, a crop which he had grown on his own farm for a considerable number of years? I can only say that if he could not do that, then he is a much poorer farmer than I thought he was.

As a matter of fact, he knows and I know that he was in a position to give the inspector information which he could have taken back and which would have assisted in checking that particular municipality or township. At that time there was considerable criticism of the idea of paying prairie farm assistance. People were going around western Canada saying, "It does not matter whether you are below twelve bushels to the acre, you will never be paid." That was heard in every constituency in western Canada at that time. Later on, when they were paid, some of them were the most surprised people in the district, because people who had been looked upon as reliable had said that they never would be paid.

While we were trying to establish the fact that these inspectors had done a good job, we set up an appeal board—there had not been an appeal board previously—and we said to districts which believed they had not been properly treated: "You can make an appeal, and if you do so, we will check with the elevator returns." First, we went out and took a declared statement from each farmer as to how much he threshed and how much he marketed off his crop. Then we checked his statement with the elevators and anyone else we could check it with, and again I repeat, there were not very many townships in the whole of western Canada that were changed as a result of that check from where they had been when these men reported who, my hon. friend says, cannot check a crop and do not know how to check a crop, and who checked it at the time the crop was growing.

I only recite that to emphasize that when we keep on saying a thing often enough we are apt to believe it ourselves, and my hon. friend has been making that statement for a number of years in a house where I do not have the right to reply to him, but I have read in the newspapers what he has been saying. But now he is here and I have an opportuntiy to reply to him in this house, instead of reading at second hand what he said in some other house. I can only repeat that the inspections were properly made.

Then my hon. friend referred to dug-outs. My hon. friend over here who farms near Pembroke knows more about farming in western Canada apparently than the hon. gentleman who lives out there. The other night the hon. gentleman gave the committee the impression that all these inspectors had to do was to go and look over a certain site and say: "Dig a dug-out there." He also said that they could look at seven in one evening or afternoon, pick the dug-outs, and that was all there was to it.

As a matter of fact, when we took over the prairie farm rehabilitation we took in upwards of 5,000 applications, if I remember correctly, for dug-outs and small dams, and again, if I remember correctly, we have about 15,000 applications now which have not yet been acted upon. What happens under conditions of that kind is this. Many of these outfits are owned by municipalities, and some are owned by individuals, working in different communities. The men who make the inspections and the men who do the testing with regard to these dug-outs must keep that equipment operating. As my hon. friend the member for Souris, who was, I think, the reeve of a municipality, knows, these outfits will dig a dug-out every twenty-four hours. They operated twenty-four hours a day. They dug a dug-out here to-day, and the next morning they were over somewhere else ready to dig another one Of course, there were times when the men who were passing upon whether the dug-out should be dug or not dug had to pass upon one in one community and go over to some other community to keep the outfit going there. They could not waste time by going around and looking at seven in the one community because sometimes to keep the outfits going they had to reach some other community. To have done otherwise would have tied up the equipment doing a $150 job. The inspector, who is costing us a few dollars a day, has to look ahead and keep the operations going and have them passed upon. Of course, anyone who does not know that or does not understand it can make general statements in the house with regard to the construction of these dug-outs and make them sound very bad.

Again, the inspector who comes along and looks over a dug-out in the district, before he passes upon it, must in many instances have information that my hon. friend did not mention at all, but an hon. member for an Ontario constituency mentioned it. The first thing that has to be done is to have lines run to see how much run-off there would be to fill up any dug-out or any dam that might be built. The next thing that has to be done is to put down test-holes to find out whether

there is a clay subsoil or a gravel subsoil, to determine whether it would be necessary to cement the dug-out to hold water, or whether it would not be necessary to do so. After all that work is done, the location is staked by engineers, just as staking is done on any other construction job. When all that is done, the inspector makes a report that certain findings have been made and that "you can proceed with this particular dug-out" but "you cannot proceed with some other dug-out."

Mr. BURTON: I quite agree with what the minister says as to inspections and testing of dug-outs. That is the course followed. But where I wish to correct him is this. I know of dug-out locations, quite a number of them, where these very same precautionary measures which he says should be taken by the inspectors were not taken. There was just a casual glance over the lay of the land.

Mr. GARDINER: Again I think that hon. members from eastern Canada would understand why that would be the case. There are certain areas in western Canada—I do not know my hon. friend's constituency well enough to pick out the areas there, but I do know that there are areas in my own constituency—

Mr. BURTON: The minister spent a little time in my constituency.

Mr. GARDINER: And I shall probably spend more there. There are areas in my constituency and south of Regina, where everyone knows the land over the whole district will hold water; there are no runs of gravel in it, and what has to be found out is the water runs on the surface of the area. By looking at these particular locations one can determine what the results will be. I think I know my hon. friend's constituency well enough to know that by far the greater part of it is not that kind of territory. There is much of it where all the engineering work I have spoken of must be done and where an inspector would be merely wasting time by going around and checking seven or eight of these dug-outs before that preliminary work had been done by the engineers.

Mr. BURTON: Would he lose more time by doing it on seven different days?

Mr. GARDINER: It would depend when the work was completed on the whole seven, and upon whether there was an outfit waiting somewhere that he had to keep operating, in which event he would come back there and pass upon it later.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. GERSHAW: I should like to bring to the attention of the minister a few matters regarding southeastern Alberta. That great district has suffered more severely perhaps than any other agricultural district in the last few years. It is true that away back in 1915 and 1916, later in 1928 and again in 1938 and 1942, there were reasonably good crops in the district, but good years come so seldom that they cannot be relied upon. Consequently people who have settled in that district have fallen upon very hard circumstances and have had a difficult struggle. When we know that the average precipitation in that district is around twelve inches a year, and last year as low as nine, whereas in the east the precipitation ranges from twenty-five to forty inches, we can realize what a hard time they have out there to make the land produce enough to provide even the barest necessities of life for the people who live in that locality.

In those dry districts wheat is the grain crop most likely to grow, and therefore seventy-nine per cent of the grain produced there is wheat. Also, as regards ranching and stock raising, the cattle rancher can do a little better than any other producer of live stock. During the years of depression restricted markets brought ruinously low prices. The drought was quite severe, so that even grass and trees could not grow; the soil drifted, and many of the other hazards of farming were so great that it was almost impossible for the people to keep off relief. Consequently many of them had to seek relief during those years.

I wish to appeal to the government at this time to be lenient in the collecting of the seed grain liens which were put on during those years of depression, because, while the principal has not changed, the interest has mounted until it is often more than the principal, and it is very difficult for these people to face that debt at the present time.

In fact, the district has been called the Canadian desert, for away back in 1874 Colonel Walker, going through the district, said that during his whole life he had never seen a pasture field so lacking in feed as were the prairies at that time. But that district need not be a desert. On an experimental farm which this government started, 2,400 tons of hay were produced off an area which otherwise would not have provided fodder for one animal. This shows that the district can be improved, and the government has done a good deal to improve it by establishing community pastures, stock-watering reservoirs and dug-outs; and by planting trees, by regrassing

and by improving methods of farming. There is still much that needs to be done, however, because cattle and wheat are not the products that the market requires especially, nor are they the products which the health of the people of Canada demand. What is required is more in the line of dairy products, fruits and vegetables and commodities of that kind, and these people are entitled to have comfortable homes where they will have shelter belts, gardens, small fruit trees, flowers and so on, as well as water for poultry and live stock which they could keep around their homes.

So that in addition to the work done by the Prairie Farm Rehabilitation Act, it is essential, if that great desert is to be reclaimed, that the larger irrigation projects be kept in mind. The department has published a little pamphlet, and I observe that the large irrigation scheme at St. Mary and Milk rivers is being considered. That scheme looks to the reclaiming of 345,000 acres at a cost of $45 an acre. In north Saskatchewan the William Pierce scheme looks to the reclaiming of 1,400,000 acres at a cost of $74.89. There is one other scheme, however, and I cannot see why it should not be mentioned, because $13,000,000 of private capital has already been spent on it. That particular scheme contemplates the reclaiming of 200,000 acres on which government engineers are now employed, and which can be irrigated for about $20 an acre. I hope that the fact that it is not mentioned in the pamphlet does not mean that the government have given up the consideration of that scheme. May I ask the minister whether it does mean that this particular scheme has been considered unfavourably, because in this pamphlet the statement is made that the larger projects at St. Mary and Milk rivers and in north Saskatchewan are the ones being considered.

In view of the great possibilities for good which these large schemes represent, I suggest that, as soon as the war is over and labour and material are available, as a reconstruction project nothing would give more permanent results and bring greater blessings to the people than the reclamation of those desert areas.

Mr. GARDINER: I am sorry I missed the point of the question toward the end. To what scheme was the hon. gentleman referring?

Mr. GERSHAW: The Redcliff Ronelane in southern Alberta.

Mr. GARDINER: My understanding of that is that the plan was under consideration, under prairie farm rehabilitation, when the war started. The other two larger schemes were not under consideration at that time as a development under farm rehabilitation. They have been investigated by our engineers, and some investigational work has been carried on in cooperation between the Department of National Resources and the Alberta government. But it is the two larger ones that we are suggesting may come back for reconsideration under prairie farm rehabilitation after the war. The particular scheme to which reference has been made has been under consideration throughout the period and still is.

I would point out that discussions on this matter can better come under item 29, which has to do with prairie farm rehabilitation and water storage. I would rather we left the discussion until that time.

Mr. WEIR: Referring back to the minister's remarks with reference to the meat situation in this country and in the United States, I believe we can take from what he said that among the chief difficulties is the question of storage and transportation. Can he say anything with respect to the storage situation in Great Britain and the possibilities of attempting to get a larger quantity of these meat products delivered to the other side to relieve the situation in this country?

Mr. GARDINER: The matter of storage has always been under consideration on both sides of the ocean, and I think it will be agreed that our position is at least as favourable on this side as it can be in Britain under the circumstances. The fact is that when we get the meat over there it is nearer to the point where it is to be consumed, and we would rather have it there to the extent that it can be stored. I mean that when the meat is over there they can handle very much more than we can in a given time if unlimited supplies are available. The question as to how much is there or what the space is, is something we probably would not get any information about.

Mr. WEIR: I think that is an important statement for the minister to have made and I am very glad he made it.

Mr. GRAYDON: I think only under this general item may I raise the point that I desire to make as an inquiry of the minister. This matter came up in a rather casual way in one of the other debates in the house during this session, but since it directly affects the minister and his department I wish to ask whether it is the intention of the government to appoint a parliamentary assistant to the Minister of Agriculture? I raise that question for one particular reason.

Mr. MACKENZIE (Vancouver Centre): The inquiring mind.

Mr. GRAYDON: I can understand that the minister who has now interrupted would not need a parliamentary assistant.

Mr. MACKENZIE (Vancouver Centre): Yes, he does.

Mr. GRAYDON: If he does then he is worse than I thought he was. In any event, however, I wish to ask the Minister of Agriculture if the government has given consideration to the whole question of a balance between eastern and western agriculture through the medium of the appointment of a parliamentary assistant to the Minister of Agriculture? I think the minister will be the first one to recognize that there are two main divisions, if one may say so, in connection with the agricultural affairs of the dominion. I believe there has been a feeling existing in agricultural circles that a proper balance between the east and the west could be obtained. The minister coming from western Canada, although originally an easterner, would, I fancy, find that the appointment of a parliamentary assistant, if he were an easterner closely identified with the interests of eastern agriculture, would be a popular move. I think that appointment would receive general approval throughout the country.

As I said before in a previous debate, if the principle of parliamentary assistants is a good one; if experience shows that it works out well, and if there is any argument in favour of parliamentary assistants, then that argument should apply more forcibly to the Department of Agriculture than perhaps to any other department of government. For the reasons I have mentioned and not only because it is a heavy department, but because of the balance that must necessarily exist between the east and the west, I raise the point to seek information as to whether the minister has in mind the appointment of some one of the very worthy members of the House of Commons to represent eastern agricultural constituencies at this time.

Mr. GARDINER: I have no intention of exceeding my prerogative in discussing the question as to whether there should or should not be a parliamentary assistant to the Minister of Agriculture. That, of course, is the right of choice of the Prime Minister who invites people into the government or people to take positions in support of those who are in the government.

In answer to the latter part of the statement, I should like to point out that there is a difference as between the Department of Agriculture and some other departments to which parliamentary assistants have been appointed. This difference has not been made apparent in the remarks of the leader of the opposition. One of the differences is that the Department of Agriculture is only one of ten departments of agriculture in Canada. There is a department of agriculture in each of the Canadian provinces. Of course there is not a minister of defence in each Canadian province; there is not a minister of munitions and supply in each province. There is, of course, a provincial treasurer in each province, but not with the same responsibilities as we place on a minister of finance here. That might be one reason why the situation might be quite different in some of the departments that have been mentioned from what it is in the Department of Agriculture. The activities of agriculture are fairly well divided as between provincial responsibility and federal responsibility. We have the cooperation of all ministers of agriculture across Canada to carry out the activities in relation to agriculture. But I have no argument to put forth on one side or the other of the question as to why there should or should not be a parliamentary assistant.

Mr. BRYCE: I should like to get some information from the Minister of Agriculture. I have been shipping live stock to the public markets and packing plants for the last twenty-four years. In every statement that I receive there is a deduction of half of one per cent for animal insurance. Can the minister give me some information as to on what authority the packing company deducts that money from my statement?

Mr. GARDINER: The arrangement which has just been referred to by the hon. member for Selkirk is one resulting from an agreement which was entered into by producers and packing plants many years ago. It is not an arrangement—

Mr. BRYCE: Excuse me; what year?

Mr. GARDINER: I have forgotten the year, but it is away back, I think, in 1907. It has been in existence for a long time. It had to do with the fact that animals that were delivered on the market were affected with tuberculosis or some other disease which required their slaughter for uses other than for human consumption. Instead of the person who shipped the one diseased animal taking the whole loss, it was agreed between producers and those who purchased the animal that a deduction would be made from all animals coming in, and then that fund would be utilized for the purposes of paying for any losses that an individual might have to bear. In other words, it is an insurance fund. It is not compulsory. Anyone delivering live stock on the market to-day can say that he does not wish to share in the insurance fund, and

therefore he does not wish to have the half of one per cent taken off the amount which is due him. If he does so, then any time he ships in cattle or hogs that are diseased, he will have to take any losses which are involved in connection with that shipment. They would not come under the insurance plan.

That fund has been examined from time to time, and it has always been found that the first intention of it is carried into effect in the activities of those who are handling it. The examinations have been made by themselves, not necessarily by the government. We have checked as to what has been found through those examinations, but as far as I understand it we have no authority whatsoever in the matter.

Mr. DOUGLAS (Weyburn): Can the minister explain who keeps the fund?

Mr. BRYCE: Has it ever been reviewed since 1907 when that general agreement was made between the packers and some other gentlemen or producers in the farming business?

Mr. GARDINER: I did not get the first part of the question.

Mr. BRYCE: Has the agreement been reviewed since 1907?

Mr. GARDINER: It has been up for discussion. I have heard of the discussions many times since I became minister. It is up for discussion, I think, at most of the live stock meetings that are held across Canada. The unfortunate fact is that most of them pass resolutions which have very little relationship to the origin of the scheme. They seem to think that there is some responsibility on the government and that the government should do something about it. Of course, the fund was set up as a result of an arrangement between the producers' organizations and the packers' association. As I said a moment ago, no individual needs to be a party to it at all. He can ship his cattle without that fund being made responsible for taking care of any losses; therefore I think it is a matter entirely between those organizations that set it up in the first place.

Mr. DOUGLAS (Weyburn): Would the minister explain in whose name the fund is in Saskatchewan, whether or not it is audited, and whether any financial statement is presented to any body?

Mr. GARDINER: I am not certain of that; I doubt it, but again I say it is the responsibility of those who entered into the agreement. If they insisted on an audit being made and a report being sent to them I see no reason why it should not be done.

Mr. DOUGLAS (Weyburn): Most farmers are under the impression that it is compulsory.

Mr. GARDINER: My information is that it is not, as a matter of fact.

Mr. BRYCE: I should like to draw the minister's attention to some figures I have, to show the injustice that is being done to farmers to-day through this condemnation insurance. This is the first time I ever heard that it was not compulsory; every statement I have received in twenty-four years has had that condemnation insurance taken off at the stockyard or the packing plant. In 1940, animals slaughtered in Manitoba numbered 1,114,900, of which 4,296 were condemned, but the insurance collected on these animals was sufficient to pay for 5,574. In Saskatchewan in the same year, 285,637 animals were slaughtered and 708 condemned, but the condemnation insurance collected was enough to pay for 1,428. In Alberta in the same year, 1,053,432 animals were slaughtered and 2,639 were condemned, but the condemnation insurance assessed against the farmers was sufficient to pay for 5,267 animals. We have the same story in 1941, 1942 and 1943. Last year in Manitoba, 1,254,014 animals were slaughtered and 2,499 were condemned, but the condemnation insurance collected was sufficient to pay for 6,270. In Saskatchewan we had 685,696 animals slaughtered and 1,442 condemned, but the insurance collected was sufficient to pay for 3,428. In Alberta in the same year, 1943, we had 1,710,558 animals slaughtered and 3,021 condemned, but the condemnation insurance collected would pay for 8,553 animals. The minister told us this evening that this scheme was started in 1906 or 1907, which is thirty-eight years ago. I have checked these figures from his department, and I find that in the beginning it took about one-half of one per cent to carry the scheme. To-day it takes less than one-quarter of one per cent to carry it; yet we are still paying one-half of one per cent.

I have the figures here in regard to hogs that have been slaughtered and the number condemned for the whole of Canada, as follows:

Year	Killed	Condemned carcasses	Con. ins. collected for	Percentage of one per cent
1940	3,961,882	8,782	19,809	·22
1941	5,884,677	13,497	29,423	·23
1942	6,339,311	13,695	31,696	·22
1943	6,140,614	12,022	30,703	·19

This is a serious state of affairs. The value of the live stock sold in the stockyards across Canada in 1943, shipped to public markets and abattoirs, was approximately $323,000,000. The farmers paid condemnation insurance amounting to one-half of one per cent on that amount, which would be about $1,615,000 The figures issued by the government would indicate that only about three-eighths of one per cent of the live stock were condemned; thus under the present set-up the farmers have been compelled to pay to the packing industry approximately $500,000, in 1943 alone, more than the condemned animals were worth. Now that I have brought this matter to the attention of the minister I hope he will look into it.

I should like to ask one further question. Did I understand the minister to say that the quota to the United States was 293,000? I understood that it was 193,000.

Mr. GARDINER: That is correct; it is 193,000.

Mr. BRYCE: Can the minister tell me where the meat board was when the packing industry was buying sheep on the Winnipeg market for seventy cents each?

Mr. GARDINER: In the first place I have no record that anyone bought a sheep for seventy cents. Perhaps some did, but the meat board had nothing to do with it; they had no authority to buy sheep at that time.

Mr. BRYCE: Why did the meat board not have authority?

Mr. GARDINER: I do not think there was a meat board at that time. There was a bacon board.

Mr. BRYCE: There was a meat board.

Mr. GARDINER: In what year?

Mr. BRYCE: Last fall; 1943.

Mr. GARDINER: I do not know when sheep were sold for seventy cents.

Mr. BRYCE: I can give the minister the evidence.

Mr. GARDINER: What kind of sheep; how old?

Mr. BRYCE: The age of the sheep does not matter. The wool on the back of a sheep is worth at least twenty cents a pound, and we are paying three and four dollars a hundredweight for meat meal and things of that kind.

Mr. GARDINER: Just by way of illustration, about a month ago I sold two cows of about the same weight. I received $99.97 for one from which I had obtained fifteen or sixteen calves; for the other, sent the same day and on the same train, I received $47, and I think I got as much as either one was worth because I know all the facts in regard to them. If the hon. member will tell me all the facts about the sheep probably I shall be able to answer him.

The CHAIRMAN: I believe this part of the argument of the hon. member should have come under item 17. I do not wish to curtail discussion, but for three sittings we have had a general discussion and I believe we should come to the items. Hon. members may make general statements now, but they should not refer to specific matters. When it comes to a discussion of the different items, hon. members should wait until the items are called. I believe that is the wish of the committee.

Mr. BRYCE: I accept your ruling, Mr. Chairman; but could I have an answer from the minister as to whether or not he will look into this condemnation insurance?

Mr. GARDINER: In the first place it is questionable whether the figures produced are of real value. That is, I am not at all sure whether the figures given the committee cover just the animals which were condemned and sent for tankage, or whether it also covers animals only parts of which were sent for tankage. When I say that, I mean one can have an animal condemned for tuberculosis, and when it is examined it may be found that the disease is confined to a gland in the neck. A piece is cut out of the neck, and while that part would go for tankage, the animal may be slaughtered and the rest of it sold for human consumption. Such animals are only partly condemned; the other parts are sold at whatever price they will bring, and the amount is returned to the individual. It is most difficult to determine from those figures exactly what they mean.

On the other hand, my understanding is that each separate packing plant collects its own insurance premiums and makes its own payments. So that in order to get at the exact results as to what happens one would have to examine the accounts of the different packing plants across Canada.

In addition to that, may I say that we have made investigations. It is not a case of whether we shall make them or not; we have made them very recently. I am not in a position to give a full or final account with regard to the matter; but if the facts which have been presented to us are correct, and I assume they are, then there has not been very much more collected than has been paid

out in most of the plants. That is all I can say at this time. I would, however, remind the committee that this is a question as between producer organizations and plants, and the agreements into which they have entered. I am sure, if producers can demonstrate that they are paying more than they ought to pay, they can find some other way of insuring that live stock.

It has been suggested that hon. members did not know they had a choice. I have been shipping live stock now for some twenty odd years, as has the hon. member who has just spoken. I did not know until these inquiries came in that I had any choice in the matter. But now that I do know I have a choice in the matter, I certainly would not undertake to have a loss on any live stock. I would still pay half of one per cent before I would take any chance on that. I believe, too, that is the decision to which most farmers have come. Probably that is the main reason there is not much inquiry made into the matter. However, I see no reason why organizations could not demand an inquiry, and have it, as between themselves and the plant to which they ship their stock.

Mr. CASTLEDEN: What was the percentage of swine condemnation in Canada for 1943?

Mr. GARDINER: I have not those figures before me, but I can have them when we reach the live stock item, which, by the way, is the place where questions of this kind should be asked.

Mr. CASTLEDEN: The government's own figure, in their own report, is ·19 of one per cent.

Mr. FARQUHAR: May I say just a word with respect to the marketing of hogs for export. I am informed by the minister's department that only farmers living in the vicinity of packing plants, where there are government inspectors, can take advantage of the bonus paid by the government. I am thinking of many good farming sections in the northern part of Ontario, many of which are in my constituency of Algoma East. At those points farmers have gone in extensively for the raising of select hogs. Farmers in my constituency market their hogs at the packing plants in Sudbury and Sault Ste. Marie. I understand there are no government inspectors at either point. Could some arrangements be made whereby farmers in those sections could bring their hogs to some central point where they could be inspected when slaughtered by government inspectors, so that advantage could be taken of the bonus paid by the government?

Mr. GARDINER: The present provision is that wherever there is a slaughterhouse or a butcher killing fifty hogs or more a week, provision is made to see that inspection is provided. Where there is less than that it has not been thought advisable to have inspection. When individuals live in communities adjacent to points where inspection is made, their stock could be taken to such points, and grading would be done there. I do not think the committee would expect that we would have inspectors all across the country, at every small place where half a dozen, twenty or thirty hogs may be killed. We have set the figure at fifty hogs, and we are trying to work it out on that basis.

Again I would say we are getting down to details, and the proper place of their discussion would be under the live stock item.

Mr. QUELCH: I listened with a good deal of interest to the minister's statement before the evening recess respecting the wheat acreage reduction regulations. I believe those regulations have served a useful purpose in the past and, that purpose having been completed, I believe the government is wise in discounting the operation of the regulations, and in increasing the price of wheat. Any criticism I made in the past respecting those regulations was based upon the administration of certain sections, rather than against the principle of the regulations themselves.

We are assured in the speech from the throne that a floor price is being placed under agricultural products. No doubt the time to discuss that matter will be when the measure is before the house. In passing, however, I would say that when the floor is introduced it should be at a level sufficiently high to stabilize agricultural prices at a level based upon parity. However, a parity price alone would not rehabilitate agriculture on a permanent basis because, more than any other industry, agriculture faces tremendous hazards. Therefore I say it is most desirable that the government should introduce a comprehensive scheme of crop insurance.

The minister may feel that the Prairie Farm Assistance Act is, in fact, a form of crop insurance. In reality, however, I think hon. members will agree it is nothing more or less than a form of drought relief. I am very much in favour of that act, and I am not criticizing it. The constituency I represent has benefited, owing to the fact that the greater portion of the drought area in Alberta is in my constituency.

Nevertheless the Prairie Farm Assistance Act cannot be considered crop insurance. A man who is farming in the west may suffer total crop failure after having contributed to the scheme for ten years, and then still not be eligible to benefits under the act, in any shape or form. In the house on earlier occasions the minister has taken the stand that a scheme of crop insurance would not be practicable. He has said that, as a matter of fact, it would encourage inefficient farming.

Mr. GARDINER: My position has been that it is not within the power of the House of Commons.

Mr. QUELCH: I cannot see why it would not be. The government has introduced the Prairie Farm Assistance Act, under which it has taken a levy from every farmer, in tribute. If it is possible to pay to cover the cost of the Prairie Farm Assistance Act, I cannot see why the government could not introduce a similar measure to take care of crop insurance. The minister may deny that he criticized this on the ground that it encouraged poor farming, but I remember quite well in the past that one of the reasons he gave—

Mr. GARDINER: I wish to put the hon. member right on that. I have always taken the position that to attempt to put it on an individual farm basis, even the prairie farm assistance as we now have it, would tend to provide to keep people on sub-marginal land or to permit poor farmers getting assistance whether or not the weather had anything to do with their poor crops. That is entirely different from saying that the matter is one which could be brought within the powers of this parliament I am not giving that as my own opinion; that was the opinion I received at the time we brought forward this legislation. It was the opinion we received in all three of the prairie provinces.

In the early part of the century the request was made to bring in hail insurance as a federal measure, but it was stated at that time that the only legislatures having power to bring in hail insurance or any other kind of crop insurance were the provincial legislatures. In each of the provincial houses in western Canada hail insurance measures were brought in. That was a form of crop insurance. That is the position taken to-day.

When this measure was before the committee of the other house the then leader of the Senate, who was a very able lawyer, the Right Hon. Arthur Meighen, asked if I had consulted the Department of Justice as to whether this was ultra vires. I stated that I had and that they had given the opinion that it was intra vires. The legal adviser to the committee, Mr. O'Connor, was present. He turned to Mr. O'Connor and asked for his advice. Mr. O'Connor stated that there was some question as to whether the Prairie Farm Assistance Act was not a form of insurance and he went on to indicate that if it were insurance it would be ultra vires. He then offered the further personal opinion that this legislation would be beneficial to western Canada and he thought it was worth while trying it out. I do not think the question whether the present legislation is ultra vires has ever been put to the test. This has been accepted as legislation favourable to those for whom it was provided, and as far as I know all of Canada has accepted the principle that assistance ought to be given. I repeat that the question of whether we should provide insurance is a provincial matter. My understanding is that in at least one province they have a board or commission set up which is examining into a number of questions, including crop insurance. They realize that this is a provincial responsibility.

Mr. QUELCH: I think the minister will agree that any comprehensive scheme of crop insurance would be quite a large undertaking and perhaps beyond the means of a province to carry out. I hope that this question will be taken up at the next conference with the provinces. If the three western provinces are ready to agree to come under a scheme of crop insurance to be operated by the federal government, then the question as to whether or not it would be ultra vires would not arise. The scheme in operation in the United States has a great deal of merit. I have before me the annual report of the manager of the Federal Crop Insurance Corporation, which reads in part as follows:

> The Federal Crop Insurance Corporation was created for the purpose of furnishing the wheat growers of the nation a form of protection that is offered by no other agency, governmental or private. In discharging its responsibility the corporation performs a great public service, a service of direct benefit to 1,380,000 wheat growers and, indirectly, to millions of others in rural and urban communities, as well as to the government itself.

I understand that every year the number of farmers taking out this insurance voluntarily has increased. The amount of acreage covered has not increased, but the number of farmers has. The plan of operation is as follows:

> Under the wheat crop insurance programme a farmer may insure himself against loss in yield below seventy-five per cent or below fifty per cent, whichever he chooses, of his average yield. An insured farmer is protected against loss due to drought, flood, hail, wind, winter-kill, tornado, insect infestation, plant disease, and

other unavoidable hazards. No insured farmer is protected against loss due to negligence, malfeasance, poor farming practices, or from causes which he is in a position to prevent.

The last reference is to poor farming. I understand that in the United States committees are set up under the AAA which have the responsibility of seeing that farming methods are carried out on a satisfactory basis. It seems to me that their scheme has considerable merit. It has been extended beyond wheat, and other farm products are to be insured along similar lines.

I think the federal government should make a thorough examination of this scheme so that at the next conference with the provinces they may be able to discuss it and see whether the provinces would be ready to come under such a scheme on a national basis. A scheme of this kind is beyond the financial ability of the provinces to handle satisfactorily. If such a scheme is put into operation without sufficient financial backing it will fail absolutely.

Mr. WEIR: Could the hon. member tell us the manner of payment and the amount of the premium under the scheme?

Mr. QUELCH: The payment of the premium is made in wheat. Committees are set up which estimate the average yield of a piece of land over a period of years. The farmer then insures for either seventy-five per cent or fifty per cent of that average yield. Then he may either pay the premium in cash or give a note in payment. The premiums are worked out on an actuarial basis. In the fall any claim for payment may be met in wheat instead of in cash. When the farmer receives wheat he can sell the wheat under his quota and receive cash. The whole thing is done on the basis of grain. The premium may be paid in grain and any return from the insurance may be made in grain. It is up to the farmer to decide whether he wants to keep the grain or whether he wants to sell it.

Mr. CRUICKSHANK: This item deals entirely with administration and I have a question to ask under that heading. Apparently everything is being discussed, including the hon. member for Peel offering me a position as parliamentary assistant, were I able to curl. I should like to know under what item I would be able to discuss the recent flooding of Canada with potatoes. It was suggested the other night that I could bring up this matter under item 26, but upon checking what happened last year I find that item 26 was not taken up until the middle of July. This matter concerns my district at the present time not in the middle of July. Apparently arrangements have been made for the importation of potatoes into Canada while we still have a surplus in this country. I wish to quote from a report in the Ottawa *Citizen* of February 23, stating that special arrangements were made by governmental agencies, which I assume refers to the minister's department. Later on the article states:

> Potatoes, it was explained, were grown in Maine and their shipment to Canada was part of the effort made by United States agricultural officials to clear last season's potatoes before the new crop.

In other words, the state of Maine is being allowed to dump its surplus potatoes in Canada in order to maintain higher prices in that state. We have shipped out from the Fraser Valley this year to different parts of Canada and elsewhere 20,000 tons of potatoes, and yet we have kept ample supplies within the province to supply our whole domestic market. On this same item of administration, the hon. member for New Westminster and I last year asked for a contract for the dehydration of potatoes, and we were informed by the minister in the house and by the deputy minister on several occasions before the agricultural committee that we could not get a contract because we did not have an ample supply of potatoes in British Columbia to supply the domestic market. Both the hon. member for New Westminster and I pointed out, and I have *Hansard* here to show it, that we had ample supplies of potatoes not only to supply the domestic market but to ship potatoes outside the province as well; yet we could not get a contract without a fight. So far this year we have exported 20,000 tons of potatoes out of the province to other parts of Canada and to the United States, and yet some government official under this item of administration has arranged to allow the state of Maine to dump 150 carloads of potatoes into Canada, while we in Canada have to ship out our potatoes, if we ship at all, and there is a duty of $7.50 a ton imposed by the United States on certified seed potatoes and $12.50 a ton on domestic potatoes. In other words, we cannot export our potatoes to the United States over that prohibitive tariff. I am not now arguing for free trade. There are only three free traders in the House of Commons, two from British Columbia and the Minister of Agriculture. But I believe in free trade working both ways, and I want the minister to explain why his department, under this item of administration, permits the state of Maine or any other state to dump its surplus potatoes into Canada when we have an ample supply of potatoes in this country. We were told last

year that we could not produce enough potatoes in British Columbia to satisfy our own requirements. Yet we have not only done that but have shipped out of the province 20,000 tons of potatoes this year, and in addition supplied potatoes to an immense army in Canada on the Pacific coast, and a large number of Americans on the Pacific coast. I think that is proof that we have ample supplies of potatoes in Canada.

I wish to speak of another matter, and I bring it up now because in British Columbia we cannot wait until July to get a decision. Therefore under this item—

Mr. GARDINER: If I might be permitted on a point of order, Mr. Chairman, my hon. friend is not speeding up things by asking these questions on this item because these matters are not under my department at all, and if this department is to be held here while hon. members discuss matters that do not come under my department we shall never reach the item in the estimates on which his questions might be answered. I am not in a position to answer at any time the questions my hon. friend has asked. They will have to be answered by someone who is speaking for the prices board, and I do not speak for the board. In so far as I can speak for them at all, all I can say at the moment is that I understand that the only potatoes in Canada on which the prices board are paying freight in order that they may be distributed to other parts of Canada are British Columbia potatoes. I think that ought to be said in justice to the board. I understand there is no duty on potatoes coming from the United States into Canada except during a short period when new potatoes are coming in; otherwise potatoes come in free. The peak export of potatoes from this country comprises seed potatoes going from the maritimes to South America and the British West Indies, and, on some occasions to some parts of the United States, and arrangements are made accordingly. But again I say that this is one of those questions in relation to which we all apparently agree that something ought to be done, and we rise one after another and say that we are in favour of price control, and price control requires some of these things to done. All I can say at the moment is that this is not a matter which comes under my department, and if the hon. member wants to get an answer we should at least pass this item of administration and go on to the commodity items.

Mr. CRUICKSHANK: The minister's explanation bears out what I fully thought, that agriculture is no longer under the Department of Agriculture but under the wartime prices and trade board.

What I am going to bring up now—

Mr. GARDINER: I wish Mr. Chairman that you would insist on the committee staying in order. What my hon. friend has to say relates more to the item of fruit and vegetables, and certainly not to this item.

Mr. CRUICKSHANK: I was going to speak of a different matter.

The CHAIRMAN: The point of order is well taken by the minister. We have had a general discussion lasting some days and I understand that it is the wish of the committee to ask direct questions on individual items as they are reached. Again I must ask the committee to remain within the orbit of the item before the Chair. We are on item 1, dealing with administration.

Mr. CRUICKSHANK: I am particularly interested in item 1, Mr. Chairman, because I have some questions to put to the minister in connection with administration. I assume this item covers all phases of agriculture.

The CHAIRMAN: Order. The item does not cover all phases of agriculture.

Mr. CRUICKSHANK: I should like to speak on departmental administration in connection with the administrator of fertilizer.

Mr. GARDINER: That is provided for under another item farther down.

Mr. CRUICKSHANK: I think I am entitled to say this, Mr. Chairman. I represent the largest farming riding in British Columbia. I do not say the best but the largest, and we are entirely dissatisfied with agriculture as run by any other department than that of the present competent minister of that department.

Mr. NICHOLSON: Although the minister is not making very rapid progress with his estimates, I think the general comments that have been made have been of such a nature that one might conclude that the farmers across Canada are not as much dissatisfied with agricultural policies as on former occasions. In my opinion the farmers of this country deserve a great deal of credit for having achieved such records of production in spite of the fact that they were dissatisfied until very recently with government policies relating to agriculture. They felt that there was no good reason why agricultural prices should be kept at such low levels when the government was buying everything else on a cost-plus basis. But in spite of their dissatisfaction they have surpassed all previous records of production.

It has been demonstrated that we do not have to have foreign markets in order to produce large quantities of food and to give our people more bread, more milk, more cheese, more butter, and more bacon. It is interesting to note that we were able to ship to Great Britain in 1943 over 5,000,000 hundredweight of pork products as compared with 1,800,000 hundredweight in 1939; 98,000,000 bushels of wheat in 1943 as compared with 61,000,000 bushels in 1939; 868,000 hundredweight of fish as compared with 368,000 hundredweight in 1939; over 1,000,000 pounds of cheese as compared with 811,000 pounds in 1939; 40,000,000 dozen eggs as compared with 1,000,000 dozen eggs in 1939. In spite of these very large gifts, and everyone in Canada agreed that these gifts should be made to the people of Great Britain, who were making sacrifices such as we in Canada were not required to make, we were able to consume more milk ourselves, more cheese, beef, pork, chickens, potatoes, eggs, tomatoes and citrus fruits, as well as coffee and cocoa. We were short on butter and refined sugar and tea, but we actually consumed more pounds of these other commodities than we did in the year before the war. I think, therefore, that any administration in the future will find it difficult to satisfy the Canadian people that we cannot produce at least enough food to maintain a healthy nation in this dominion. What I really wish to discuss—

Mr. REID: I rise to a point of order, Mr. Chairman. A short time ago you pointed out to the hon. member for Fraser Valley (Mr. Cruickshank) that he could not make the remarks he was making and be in order under administration, and we have been listening to the present speech on everything under agriculture. I do not object to his speech, but I am asking for fair play.

The CHAIRMAN: Surely the committee does not expect me to rise every minute—

Mr. REID: You are the chairman.

The CHAIRMAN: —and call hon. members to order. Hon. members should realize the importance of observing the rules. I have pointed this out several times to-day, and I suggest that the time has come when hon. members should stick to the item before the chair.

Mr. NICHOLSON: I said that I was about to conclude my remarks on this particular matter, but I do not see that it is possible for me to say what I have to say on any other single item; and it is unfair for certain members, after they have spoken as long as they pleased, to require that further discussion be shut off. I would like the minister to make a statement as to the division of jurisdiction between the provincial departments of agriculture and the federal department. I have in mind the provision for the health of animals. The federal government apparently thinks some money should be spent in connection with this important branch of agriculture; but when it comes to providing a comprehensive scheme to see that the policies which any government might wish to be put into effect should be carried to their logical conclusion, the administration does not want to go far enough. For example, we want to inspect the carcasses of animals that are slaughtered in the abattoirs of the country. We want to make sure that cattle slaughtered in Winnipeg and shipped to Toronto or Montreal shall have been inspected so that the people in these places will not be expected to consume meat that is unfit for human consumption; but there is not a town or village in the province in which I live where we have any organization to supervise the carcasses that are offered for sale.

The CHAIRMAN: Order. Under item 16 on page 4 of the estimates we find health of animals, administration, et cetera. The present discussion could come under that item.

Mr. NICHOLSON: But I would not be permitted under that item to discuss the relationship between the federal health of animals branch and the provincial branches.

Mr. GARDINER: If you have any right to discuss it anywhere, that is where you can discuss it.

Mr. NICHOLSON: That is a matter of administration that must be discussed now if it is discussed at all. However, I must abide by the Chairman's decision.

Mr. GARDINER: There is an item of administration in each of the divisions. This is general administration we are now discussing, but there is an item for administration in each one of the divisions of the department and we shall come to them as we go down the estimates.

Mr. DOUGLAS (Weyburn): I rise to a point of order. I would point out that the hon. member for Mackenzie (Mr. Nicholson) was not dealing with the health of animals except by way of illustration, to inquire of the minister exactly what is the liaison between the federal department and the provincial departments. The hon. member cannot rise on each item and ask, "What is the liaison between the federal department and the provincial department with respect to this matter?" He is asking a general question con-

cerning the whole field of administration. He wishes to know how the work is coordinated between the federal department and the respective provincial departments, and that is a perfectly legitimate question which comes within the purview of this item.

The CHAIRMAN: According to standing order 58, speeches in committee of the whole must be strictly relevant to the item under consideration. I ruled a few moments ago that the remarks of the hon. member for Mackenzie should be reserved until we reach item 16. That item affords ample scope for the discussion of the subject he is now bringing up

Mr. DOUGLAS (Weyburn): We are not discussing health of animals or contagious diseases except as a matter of illustration.

The CHAIRMAN: I have given my decision.

Mr. NICHOLSON: I discussed this matter with the department recently to find out where their jurisdiction starts and where it ends, and the information I was able to get was that the federal department was concerned about the health of animals from the point of view of interprovincial trade but was not concerned about it from the point of view of seeing to it that the people in the towns and villages have milk that is produced under proper conditions, so that there will be in every rural community proper tests to find out whether cows are infected or not.

Mr. GARDINER: The purpose of this particular vote is to provide for expenses of the minister's office, the deputy minister's office and their respective staffs, and also the departmental library. These are the items we are discussing, and I would suggest that while it has been usual to allow considerable latitude in discussing matters having to do with agriculture when considering the general vote on administration, when we get to the point where no one can rise in his place and make a new speech on the item but deals with the details provided in the different votes, then the Chairman is quite within his rights in ruling that we had better go on with those items and get down to a proper discussion of a particular item before the Chair. The present speech would be a good one on the health of animals division; but if we are to have a discussion on health of animals now, and a week from now come back and discuss the same question all over again, then we are breaking every rule that the house has set.

The CHAIRMAN: The hon. member for Swift Current has the floor.

Mr. GRAHAM: I am bowing to the minister's remarks. I will wait until I come to the proper item.

Mr. RICKARD: I rather hesitate to take part in this debate to-night after listening to the remarks made by the chairman and by the minister. What I had in mind was more a discussion of general problems of agriculture and I thought that might come under administration as well as anywhere else. What prompted me, perhaps more than anything else, to say what I am going to say is that on February 18, the hon. member for Yorkton spoke for about forty minutes and he discussed the problems of agriculture, wheat, stock of all kinds and fruit and everything along that line. The hon. member for Yorkton painted what I would consider a very gloomy picture for agriculture. I do not think that is the proper thing to do. I believe that we should paint a picture for agriculture so that the boys we have on the farms to-day and the boys we have overseas fighting our battles will come back to the farms and remain in an industry that is something worth while.

As reported at page 644 of *Hansard* the hon. member for Yorkton spoke about the policies of the government. He concluded by saying, "It has failed entirely". I take exception to that, because I do not think there has been a government in a good many years that has done as much for agriculture as has this government. I believe the Minister of Agriculture, his officials and the government as well are to be congratulated upon what they have done for the farmers.

The hon. member for Yorkton went on to talk about wheat, the grain exchange and the packing plants. He spoke about the price of cattle and the price of cows. He complained that in the west they could get only 7½ cents a pound for cows. I have two cows in my stable and last week I could get eight cents a pound for them. I think that is a good price for cows. I do not think there is any very great complaint about the price of 7½ cents for cows at farms in the west. He then went on to speak about fruit and the fruit growers of the Okanagan valley. He said that the price was so low it was not up to the cost of production. Well, I do know something about fruit. I think the apple growers in particular are well satisfied with the policies of this government and with what this government has done for the fruit industry. We have had good prices this year for all kinds of fruit. The government have spent thousands and thousands of dollars on the fruit industry. They thought it was a

war casualty, and it was. They have spent thousands of dollars to protect the apple growers and to give them a decent break.

As I said before, I do not like to hear agriculture put on such a low plane. I have been a farmer all my life and I think that to-day there is no better job than farming. During the last five years the farmers have made a wonderful contribution to this war. They have done it with a scarcity of labour, a shortage of machinery and many other things. They are to be congratulated upon what they have done and the government are to be congratulated upon what they have done for agriculture.

The Minister of Agriculture has been criticized all over this dominion. I have not always agreed with him. I have not any particular use for any man who is a yes-man. I think when you have an idea you should express it. Nor have I any more use for a man who is always finding fault, always criticizing. If we have criticisms to offer, we should offer them in a constructive way and try to be of some assistance to the government, especially in time of war.

The Minister of Agriculture was criticized about the price of hogs at the time of the last agreement with Great Britain, because he suggested that the quota might be lowered and for, I believe, not increasing the price to $20 a hundred. At the time I said that the price should be more than it was. I think everybody agreed with that. But the minister announced the increase by bonuses and that has been of great help to the hog producers. If that had been announced at the time of the agreement it is possible there would not have been as many sows sent to market. However, that is not the only reason why sows were shipped to market. I know in Ontario we had the worst grain crop we have had in a great many years. That is the main reason why hogs were shipped to market in this province. A great many farmers would rather have $30 or $40 from their sows than pay $300 or $400 for grain, because they have not been used to doing that kind of business. There is the odd man in the business who does that, but the ordinary farmer in Ontario does not do it. What the government did in regard to freight assistance has been of great help to the eastern farmer. There is no question about that.

I was not too favourable to the coarse grain proposition when the minister brought it in some two or three years ago, but as far as Ontario is concerned it has turned out that we have the grain in years like this. As the minister said this afternoon, it has cost $80,000,000 of the people's money to put that programme across. It might be money well spent.

The other night I listened to one or two members talking about the price of cattle and the spread that there should be between the price that the stocker would sell at and what one should receive for cattle. I can well remember that when I was a boy my father used to tell me he would need to have a profit of two cents a pound plus the gain on the steer if he was going to make any money. I have not followed that business very closely, but I think it is perhaps about right. However, I cannot see how any government can legislate for people in that business. I think they have to know their business, and not pay too much for their feeder cattle.

Then we heard the subject of wheat debated. Perhaps I am a little out of order now, but not any more out of order than some other hon. members have been. I believe the government is paying $1.23 or $1.25 a bushel for No. 1 western wheat at Fort William, plus participation certificates which may amount to anywhere from sixteen to twenty cents. In Ontario we are getting only $1.10 or $1.12 a bushel for wheat at the barn. I think something should be done. I do not know how many western members are going to rise and support the eastern wheat grower. It is true we do not produce very much wheat, probably twenty million bushels. In order to get participation certificates we have to export our wheat, which we do not do. I think some arrangement should be made whereby Ontario wheat should return $1.50 a bushel at the mill.

Then there is the question of fruit, eggs, cheese, butter and all other farm products. I was amused this afternoon when the hon. member for Souris said he was interested in the United States market. He thought we should still be shipping cattle across to the United States. It is not so very long ago, as I well remember, that we heard our friends of the Conservative party of that time saying, "No truck or trade with the Yankees. We do not want to have anything to do with them."

Mr. ROSS (Souris): You never heard that from the hon. member for Souris.

Mr. MACKENZIE (Vancouver Centre). We heard it from your friend Mr. Stevens.

Mr. ROSS (Souris): I never made that statement.

Mr. RICKARD: "No truck or trade with the Yankees." I well remember that statement being made a few years ago. Let me say this to the hon. member—

Mr. MACKENZIE (Vancouver Centre): Is the hon. member for Souris repudiating the statements of his former colleague from Vancouver?

Mr. GRAYDON: He is not under cross-examination. Sit down.

Mr. RICKARD: I remember when I was getting three cents a pound for hogs, four cents a pound for cattle, twelve cents a dozen for eggs, eleven or twelve cents a pound for butter. I do not think there is any very great argument as far as the Conservative party is concerned about what they have done for the farmers. I believe history will write that story pretty well.

Mr. GRAYDON: The farmers do not think much of you fellows.

Mr. RICKARD: Without taking more time, Mr. Chairman, I want to repeat that in my opinion this government should be congratulated upon what they have done for the farmer. I have no doubt in my mind that the next parliament will still be under a Liberal government, for I do not believe the farmers of this country will support the party led by Mr. Bracken or the C.C.F.

Mr. MARSHALL: I have quite a number of questions I should like to ask the minister, but I know perfectly well that as soon as I commence my examination I shall be declared out of order. However, there are one or two questions which I am sure are perfectly in order. I think very few people in Canada realize that the Minister of Agriculture is the custodian of the morals of the people when they are at the race tracks, since I understand he is the supervisor of all race track activities. I hope I am in order on this?

Mr. GARDINER: Yes, the hon. member is in order.

Mr. MARSHALL: I have been in this house for a considerable number of years, but I have not yet heard the minister give an account of his stewardship in that regard, and I think it is about time he did so. I understand that race track activities are supervised by the mounted police in certain provinces, while in other provinces they are under the supervision of the civilian authorities. I do not understand why there should be this difference, and I should like the minister to give an explanation. I wish to know also the arrangements with respect to jockeys and horses coming across from the United States, and the arrangement with regard to the payment of prize money, which naturally would go back to the United States. Would the minister care to give the committee a full and complete explanation of this, for it does seem to me strange that from an activity as great as this the receipts as far as the department is concerned should be only about $7,000 in 1942-43, and $5,000 in the previous year? That seems a very low figure, and I would ask the minister to make a statement with respect to the operation of these race tracks.

Mr. GARDINER: I think it is true that the policing in every province with the exception of Quebec is done by the mounted police; in Quebec it is done by civilian appointees. That has been the situation for a very considerable length of time; I am not sure just when it had its origin, but it has not been changed. I do not know of any particular reason why it should be the one way or the other, but apparently the policing is being done satisfactorily, since we have had no complaints with regard to it.

Mr. MARSHALL: I also asked with respect to jockeys and horses coming from the United States and the prize money won by these horses. What arrangements have been made between Canada and the United States with respect to money taken back across the line?

Mr. GARDINER: That matter is handled by another department; we have nothing to do with it. The arrangements in regard to jockeys coming from the United States to perform in this country are made between the racing associations. As far as the money is concerned, that is a matter for the Department of National Revenue.

Mr. MARSHALL: Could the minister say why civilian authorities do the policing in the province of Quebec?

Mr. GARDINER: I gave the only explanation I know of; they have always done it, as far as my records go. There has been no complaint; apparently the policing has been absolutely satisfactory, and we have not changed the system.

Mr. GRAYDON: As the hon. member for Camrose has pointed out, the supervision of race track betting very properly belongs to the Minister of Agriculture. Bearing in mind the fact that the minister has occupied this position for some eight years now, I would presume that naturally, in carrying out his duties, he would make periodic inspections of the race tracks to see how things were progressing. Could the minister tell the committee how many inspections he has made during that time and what plan he follows in supervising the work which is under his jurisdiction?

Mr. GARDINER: I am sorry to have to admit that I have not seen a horse race in eight years. I should very much like to find time to see one.

Mr. GRANT: I am not going to make a speech, Mr. Chairman; I wish to say just a few words in order to keep the record straight. The last time the minister's estimates were under consideration the hon. member for Selkirk said, as reported at page 672 of *Hansard*, that he had sold cattle for $2.65 a hundredweight and hogs for $2.50. At that time I tried to get him to be a little more definite, but he brushed me aside by saying, "You are all tarred with the one brush". I tried to show that he had not sold cattle and hogs at such low prices under this administration. When I went to my room I telephoned the marketing branch of the Department of Agriculture for the prices of hogs and cattle from 1931 to 1943. In 1936, after the Liberals had been in power for only a few months, the general price for cattle was $3.45 a hundredweight, which price increased every year until in 1939 it reached $5.10. The price of hogs in 1936 was $7.95 a hundredweight, and that price also increased each year under Liberal rule until 1939, when it was $9.64. So that the hon. member should not include the last five years of that decade in the depression period. When the hon. member told me we were all tarred with the same brush he received great applause from the Conservative benches, which just goes to show that while hon. gentlemen on that side of the house do not love the Cooperative Commonwealth Federation they always applaud them when they misrepresent this party.

Mr. BRYCE: I can assure the hon. member that I sold hogs in Winnipeg for $2.65 a hundredweight. I sold steers for two and a half cents a pound on the Winnipeg market.

An hon. MEMBER: When?

An hon. MEMBER: 1932.

Mr. GRANT: Not since 1935, but they might have been sold for fox meat.

Mr. BRYCE: It is the system we are living under that caused it, and one is as bad as the other. I do not think the Conservatives would be any better if they were in power; they would not do any better than the present government are doing—and maybe a lot worse. But what led up to the $2.50 hog? A Liberal government led up to it—one government after another. We can go back sixty years, and we find the same thing.

Mr. TUCKER: What system are you in favour of?

[Mr. Graydon.]

Mr. GARDINER: I think the hon. member was a Liberal at that time.

Mr. TUCKER: Are you in favour of the recently adopted policy of the C.C.F. in British Columbia, a system of collectivization of farm lands, as in Russia? Are you in favour of that?

Mr. BRYCE: The hon. member surprises me.

The CHAIRMAN: Shall the item carry?

Mr. DOUGLAS (Weyburn): No. Two weeks ago I asked the minister one or two questions, but in the general melee of discussion he has not dealt with them. I would ask him now to make a statement, first, as to whether it would be possible for the government to announce coarse grain prices within a short time.

Mr. GARDINER: I dealt with that this afternoon when the hon. member was out of the house.

Mr. DOUGLAS (Weyburn): With reference to the 1944 crop?

Mr. GARDINER: Yes. I dealt with it this afternoon in answer to the hon. member for Souris. I think my hon. friend was out of the house, but he can read it in *Hansard* to-morrow.

Mr. DOUGLAS (Weyburn): All right. My second point is this: Is the minister prepared to accede to the request by the Canadian federation of agriculture that these subsidies on various prices be included in the floor price, and thereby to adopt the same principle for agriculture that has already been adopted for labour? The minister knows the cost of living bonus is now included in the basic wage, and the suggestion has been made by agricultural organizations, and I think properly so, that subsidies paid to agriculture should be incorporated in the floor price; because, as every hon. member knows, six months after the war these subsidies automatically cease. Floor prices then will be far below what the farmer is now receiving.

Then, would the minister make a statement, either now or when we reach the item respecting wheat acreage reduction, as to whether there will be any compensation, in view of the fact that there is to be this reduction in subsidies to the farmer by the discontinuing of the wheat reduction bonus? I suggested the other evening to the minister that, after all, the wheat acreage reduction bonus was paid to the farmer, not as a subsidy but in compensation for the fact that he was not going to be allowed to sell more than sixty-five per

cent of his basic acreage. It was not the farmer's fault that the government was not in a position to accept or store all his wheat. The government was asking him to grow less wheat, and in return for the smaller receipts from his wheat crop it agreed to give him this bonus.

I realize this comes under the Department of Trade and Commerce, but I asked the minister if by way of *quid pro quo* consideration could be given to giving the farmer, in return for the discontinuance of the wheat acreage reduction bonus, some compensation by way of the removal of the wheat quota, or increasing the quota so that the farmer would be allowed to deliver all his basic acreage.

Then, would the minister under this item make a report to the committee with respect to UNRRA—United Nations Relief and Rehabilitation Administration?

Mr. GARDINER: That comes under the Department of External Affairs.

Mr. DOUGLAS (Weyburn): It is my understanding that the deputy minister of the Department of Agriculture attended a conference at Hot Springs, Virginia, and acted on behalf of the Canadian government.

Mr. GARDINER: That had nothing to do with UNRRA which was set up much later, and has to do with the Department of External Affairs. We are not represented there.

Mr. DOUGLAS (Weyburn): But we were represented at the united nations food conference at Hot Springs.

Mr. GARDINER: Yes, at the food conference.

Mr. DOUGLAS (Weyburn): Then, either now or at some later time would the minister make a report to the committee with respect to the outcome of that conference? Most hon. members think that conference was a forward step, and we were very glad the Canadian people were so ably represented. I believe the minister ought to take this or some other early opportunity to tell the country something about the objectives of that conference, and the part Canada is to play in the task of feeding the people of the united nations.

I believe most hon. members have received a copy of the address delivered by H. H. Hannam, president of the Canadian federation of agriculture, who was one of the delegates to the food conference. His address is interesting indeed, because in it he points out that the conference set the united nations the task of producing in adequate supplies the right kind of food for all the human family. I believe Canada can play a great and important part in the post-war era, under a scheme such as set out at that conference. Hon. members and the country generally would be interested in any report the minister would make respecting plans which emanated from the conference, the part Canada played in the preparation of those plans, the contribution we shall make with other nations, and the co-ordination there will be among various nations in supplying food for the post-war world.

Mr. GARDINER: This afternoon I dealt with all the items mentioned by the hon. member, with the exception of the last one. I spoke to the committee for half an hour or more, and during that time covered the points he has mentioned. I do not think I should be expected to go back over them for the benefit of those who were not in the house at the time.

With respect to the last matter he mentioned I would point out to the committee that the Hot Springs conference was held last summer, and following it a report was made to the house by the Prime Minister. I would hesitate to make a report again, as Minister of Agriculture, when one had been made on behalf of the government by the Prime Minister.

In addition to that, there has been some activity since last summer, and reports have been made with regard to the activities of certain committees. Those have not yet been presented to council, but after they are presented they may be discussed here, either by the Prime Minister or by myself. At some later time, perhaps when the items under the war expenditures measure are being discussed, we might have a discussion.

Mrs. NIELSEN: I intended to support what has been said by the hon. member for Weyburn. It would be greatly in the interests of Saskatchewan farmers if the Minister of Agriculture could give them greater assurance than they now have as to the possibility of an increase in farm production during the immediate post-war years. I realize, however, that this discussion might be more properly had when the war expenditures estimates with respect to agriculture are before the committee. I believe the minister has made that suggestion.

Mr. PERLEY: This afternoon there was a general discussion respecting floor prices. Did I understand the minister to say that legislation was being prepared to provide for floor prices, but that prices would be practically the

same as are paid now; that is, on oats and barley an addition of ten and fifteen cents respectively, and that for wheat the price would be practically the same as is now being paid by the wheat board?

Mr. GARDINER: When we were discussing coarse grains I was not referring to floor prices. The hon. member for Souris asked me whether the present prices, plus subsidies of ten and fifteen cents, would apply on next year's crop. I stated to him that while this was a matter that really came under the Department of Trade and Commerce I was able to say without any hesitation that I did not think there is any intention that the return would be lowered for the crop to be seeded in 1944. But I did not discuss that in relation to floor prices. The bill with regard to floors which will be brought in will be in general terms. It will give authority to do certain things and those things will be done as the circumstances arise.

Mr. PERLEY: The minister says he is quite certain they will not be any lower, but what interpretation is he putting on that?

Mr. GARDINER: It is the interpretation which I gave this afternoon. Add the payment of ten cents a bushel to forty-five cents for oats and that gives fifty-five cents; add the fifteen cents a bushel to sixty cents for barley and you get seventy-five cents; then you take what can be obtained on the market. If you obtain the ceilings you would have 6-1/2 cents for oats and 4-3/4 cents for barley. Therefore, you could say that the prices could be up to seventy-nine cents for barley and about 61-1/2 cents for oats.

In addition there would be profits on sales made in the United States at prices higher than Canadian prices. The farmers would have participation certificates upon which they could draw additional earnings on oats and barley, provided the United States prices are higher and that a sufficient quantity is sold to counteract any sales made in Canada at the ceiling price and still give a profit. That is the present position, and I cannot conceive of there being any lowering of that position in relation to the crop to be seeded in the spring of 1944.

Mr. PERLEY: Could the minister indicate at what price our barley is being sold in the United States? I understand they are paying $1.27.

Mr. GARDINER: Our oats and barley would be sold on the United States market at whatever prices are being paid there. Those grains are being sold on this market at the ceiling prices, and in the accounting the two amounts received are put into a pool and spread over all the sales of oats and barley, both in Canada and in the United States. If there is anything left over and above the ten cents on oats and the fifteen cents on barley, it is paid to the farmers under participation certificates. Again I may say that we are discussing trade and commerce affairs.

Mr. PERLEY: Who is doing the exporting, the wheat board or the exporters on the exchange?

Mr. GARDINER: The grain exporters are doing the exporting, but it is being exported under permits given by the wheat board.

Mr. DOUGLAS (Weyburn): The minister said he had covered my question in the answer he made to the hon. member for Souris. He dealt with coarse grains, and I should like to know if the same principle will apply to other commodities subsidized by the government. Is it the intention to include the subsidy in the floor price?

Mr. GARDINER: I do not think those would be included in any arrangement for floor prices. I am simply saying that that is a position for next year. The provisions of the bill providing floor prices to be brought down, at which time all these matters may be discussed, will apply six months after the war is over. We are now working under the War Measures Act which will run until six months after the war, and the bill to be brought down will provide for activities following that time. We will then take action based upon the circumstances then existing.

Mr. FAIR: Since the Saskatchewan combatants have cooled off to some extent, perhaps I shall have a chance to say a few words without getting into the family squabble. I am not going to discuss any particular phase of agriculture at this time, but I wish to say something about agriculture in general. We have heard a number of armchair farmers state this evening, and it has been said before, that the farmers are prosperous. Even some of our practical farmers have said that agriculture is better off to-day than it has ever been before. I want to show, if possible, that our farmers are not yet receiving anywhere near that to which they are entitled.

I think it is generally agreed that the farming population of Canada comprises about one-third of the total population. If we are to have fair play in Canada, then one-third of the population should receive approximately one-third of the national income. I do not know of any group that works harder or

longer hours than our farming population. I should like to give the percentage of national income which our farming population has received over a period of years, starting with 1926, one of our good years. The figures are:

Year	Per cent
1926	17·8
1927	16·4
1928	17·6
1929	14·6

This is the period which some of our economists have used in arriving at parity prices. During that time our farmers received an average of 16·6 per cent of the national income, or approximately one-sixth, when they were entitled to receive one-third. I do not think it is right to attempt to compute parity prices on that basis. Taking wheat as an illustration, if parity prices were in existence to-day we should be receiving not less than $1.41 or $1.42 a bushel. Since we were receiving only one-sixth of the national income at that time, I think the committee will readily agree that a price of $1.41 is much below what it should be if we are given that to which we are entitled.

We are told about the $80,000,000 which has been paid in bonuses. If we look back to the time when we were receiving seventy cents a bushel for No. 1 northern wheat at Fort William, it would appear that we were losing not less than $200,000,000 on our wheat crop alone in one year. We are told also about the good prices which have prevailed since the present government came into office. My recollection is that in 1935 wheat was selling at 87½ cents a bushel, and on one occasion since then it has gone down as low as seventy cents a bushel. Then a bill was brought into the house to pay sixty cents a bushel for No. 1 northern at Fort William. The fact that we are receiving $1.25 a bushel to-day for our wheat is not due entirely to the policies of this government. The war has brought about these present prices, and when we consider the cost in human life, it has been expensive indeed. Going back to the percentages of national income received by agriculture, I quote again:

Year	Per cent
1929	14·6
1930	9·6
1931	6·3
1932	5·0

Our farmers are being criticized because they are in debt, and on occasion they have been charged with dishonesty because they do not pay their debts. If some of these armchair farmers or politicians can tell me how farmers can pay their debts when they are receiving only five per cent of the national income, then I shall learn something very valuable. The figures continue:

Year	Per cent
1933	6·6
1934	9·1
1935	9·3
1936	11·4
1937	11·5
1938	10·9
1939	12·5
1940	11·0

I am not giving figures beyond 1940, because that is when the war started. If agriculture is to be placed on a sound footing; if Canada is to be placed on a sound footing, then our farming population must receive a different deal. A rise of half a cent or one cent in the price of different commodities will not by any means correct the injustices that are being put over our farmers. I intend to speak of other agricultural matters as we reach other items, but for the time being I make these few remarks on behalf of Canadian farmers east as well as west.

Mr. WRIGHT: Can the minister give the committee any information as to whether a long-term bacon contract has been negotiated with Great Britain? When the two-year contract was negotiated, quite a bit of publicity was given to the fact that a longer term contract would be negotiated the next time. We have heard nothing of that since, and I was wondering what progress the negotiations had made.

Mr. GARDINER: I informed the hon. member for Portage la Prairie this afternoon that the contract had not yet been signed. I would prefer to discuss it on the war vote, by which time there is a possibility it may be signed. It has been pretty fully negotiated, but final signatures have not been put to the contract.

Item agreed to.

2. Publicity and extension division, $103,248.

Mr. CRUICKSHANK: Does this cover potatoes?

Mr. DOUGLAS (Weyburn): I notice by page A-10 of the auditor general's report that expenditures last year for salaries and wages were $70,575.51, and the cost of living bonus, $7,302.23, making approximately $78,000; and the amount spent for printing and stationery was $12,448.24. It struck me as strange that a branch that gets out publicity should spend six and a half times as much on salaries and wages as on printing and stationery, which has to do with the main function of the branch. Would the minister explain?

Mr. GARDINER: The preparation of the material is done under this vote, but the expenditure on publications and pamphlets is charged up to each branch concerned, each carrying its own printing costs. All the salaries and wages are charged to this vote.

Mr. DOUGLAS (Weyburn): Then the $12,000 odd would be only for the printing done within the branch, and not for the publicity matter they get out?

Mr. GARDINER: That is so.

Mr. DOUGLAS (Weyburn): What publications have they put out over the past year?

Mr. GARDINER: There have been 1,300,000 publications mailed on personal request; 576,500 publications mailed in bulk for distribution; 1,591,059 copies of market reports mailed on request; 9,991,852 copies of mimeographed and multigraphed publications on market information, news comments, leaflets, et cetera.

Mr. MARSHALL: Does this tally with the information found on page 134 of the annual report of the department?

Mr. GARDINER: The report is for the preceding year, ended March 31, 1943. We are now discussing next year's vote.

Mr. MARSHALL: But the list of publications which the minister gave was for the current year?

Mr. GARDINER: Distributed in the current year, yes.

Item agreed to.

3. Advisory committee on agricultural services, $2,000.

Mr. MARSHALL: How much of this vote was spent last year? I understand that the year before the amount of the expenditure was only $336.19.

Mr. GARDINER: The vote last year was practically all spent, and there is an increase of $320 provided for this year.

Mr. MARSHALL: Last year the expenditure was only $336.19.

Mr. GARDINER: That was the previous year.

Mr. MARSHALL: Was the vote last year all spent, and who are the members of the advisory committee?

Mr. GARDINER: There are quite a number of committees. The national committee is composed of Doctor H. Barton, deputy minister of agriculture; G. I. Christie, president, Ontario Agricultural College; W. R. Reek, deputy minister, Ontario Department of Agriculture; G. Morin, acting deputy minister of agriculture for Quebec; E. S. Archibald, director, experimental farm services; J. M. Swaine, director, science services; A. M. Shaw, director, marketing services; R. S. Hamer, director marketing services, Ottawa; L. C. McOuat, general agricultural agent, Canadian Pacific Railway Company; A. E. MacLaurin, acting general secretary, C.S.T.A., Ottawa; W. H. Cook, National Research Council, Ottawa; H. L. Trueman, assistant director, science services.

Mr. MARSHALL: Is that a permanent organization?

Mr. GARDINER: It carries on from year to year but can be changed.

Mr. DOUGLAS (Weyburn): Was the whole expenditure spent on the national committee?

Mr. GARDINER: No; there are a number of subcommittees and, as a matter of fact, the money is nearly all spent on the meetings of the subcommittees. The national committee is composed of men working for the federal government or provincial governments who are drawing their regular salaries. There is also on the national committee the agricultural representative of the Canadian Pacific railway. Since they all are drawing their regular salaries, their expenses would be light.

Mr. DOUGLAS (Weyburn): Why is the vote down to $1,680 this year? Is it contemplated to have the committees meet as often as before?

Mr. GARDINER: The decrease is largely owing to the fact that the war is on and these men are engaged in various war activities, but we hope as we get to the end of the war and out of it we may have more meetings.

Mr. MARSHALL: Is the vote not increased?

Mr. GARDINER: It is increased for next year as compared with this, but there is a decrease as compared with a previous year.

Mr. GRAYDON: I did not hear how often the advisory committee on agricultural services had met during the last fiscal year. Is the minister prepared to table a report of the advisory committee, as I think he promised to do last year?

Mr. GARDINER: The advisory committee does not really make a report in the sense of the reports which are tabled in the house. They are advisory to myself as minister and to the different provincial governments with regard to certain activities in relation to agriculture. There are subcommittees from which reports come.

Mr. GRAYDON: The minister omitted to answer one question, and that is the number of meetings held by the advisory committee during the past fiscal year.

Mr. GARDINER: There was really no general meeting of this committee. There have been meetings of subcommittees set up which were held in the last year. I have not the exact number, but there have been meetings and the fact that this committee has not met this last year is in part the reason why the expenses are down at this time for that purpose. Among the names I have given will be found those of the men who are busiest in the department during the war period, and it is difficult to have meetings.

Mr. GRAYDON: When the minister mentions subcommittees, is the general advisory committee divided into subcommittees for reasons of convenience and dispatch?

Mr. GARDINER: They appoint standing committees with different personnel.

Mr. DOUGLAS (Weyburn): Has the minister the personnel? I do not want a long list, but it would give some idea as to who the men are and what organizations they represent.

Mr. GARDINER: They could be put on *Hansard*, though I might read the names of the different chairmen: Agricultural Outlook Committee, Doctor J. F. Booth; Barley and Linseed Flax Committee, T. J. Harrison, of the Dominion Board of Grain Commissioners, Winnipeg; Seed Grain Committee, Doctor L. H. Newman; Regional Committee on Soil Drifting, Doctor E. S. Hopkins; Sheep Committee, James Telfer; Feed Committee, W. R. White; Beef Committee, R. S. Hamer; Weed Committee, Doctor K. W. Neatby; Soil Survey Committee, Doctor A. Leahey. The list can be given.

Mr. DOUGLAS (Weyburn): I hope that provision is made for representation from farm organizations like the pools and the cooperatives.

Mr. WEIR: These are scientific committees.

Mr. DOUGLAS (Weyburn): Well, even on scientific committees.

Mr. WEIR: Research.

Mr. DOUGLAS (Weyburn): I know that some are research, but it would be an excellent thing to have someone from the federation of agriculture or from the live stock or poultry or dairy pools sitting on the committees. After all, in the labour organization there has always been some labour man sitting on the committee, or where there has not been there should have been. The same should be true of agriculture. If the government is to get the best possible cooperation from the farmers across the country it will be obtained by having some farmers on the committee.

Mr. GARDINER: These committees consist of technical men from the provincial and federal branches, but they do hold meetings to which representatives of farm organizations are invited. They attend and discuss matters with them. The question whether there should be representation is one that can be given consideration, but up to date it has not been considered wise to have such representation on the committees. However, representatives of farm organizations are free at all times to discuss these matters with the committees, and they do make considerable use of that freedom.

Mr. DOUGLAS (Weyburn): It would be a fine gesture to have on the main committee the president or secretary, or perhaps the president and secretary, of the federation of agriculture, or some other person who would have contact with farmers' organizations. They could bring matters to the attention of the minister's department more readily and the minister would be able to make known his wants so as to get full cooperation from the farmers in any venture undertaken.

Mr. GARDINER: I shall hand the list to *Hansard:*

Subcommittees of the National Advisory Committee on Agricultural Services

Agricultural Outlook Committee

Doctor J. F. Booth, Chairman, Marketing Service, Dominion Department of Agriculture, Ottawa.

J. E. Lattimer	E. C. Hope
J. B. Rutherford	F. M. Clement
T. G. Major	W. V. Longley

Barley and Linseed Flax Committee

T. J. Harrison, Chairman, Dominion Board of Grain Commissioners, Winnipeg, Man.

O. S. Longman	Doctor L. H. Newman
L. Hutchinson	Doctor R. Newton
P. F. Bredt	Doctor E. W. Crampton
J. S. Moffatt	B. Catton
P. C. Watt	J. M. McCabe
Doctor H. C. Grant	R. Whiteman
G. Bailey	Doctor K. W. Neatby

Seed Grain Committee

Doctor L. H. Newman, Chairman, Dominion Cerealist, Central Experimental Farm, Ottawa.

W. T. G. Wiener	J. E. Blakeman
P. J. Olsen	S. H. Vigor
O. S. Longman	T. W. L. Burke
F. E. Foulds	N. Young

Regional Committee on Soil Drifting

Doctor E. S. Hopkins, Chairman, Associate Director, Experimental Farms Service, Ottawa.

O. S. Longman J. Mitchell

Sheep Committee

James Telfer, Chairman, Production Service, Dominion Department of Agriculture, Ottawa.

E. S. Archibald R. D. Sinclair
F. E. Lathe W. H. J. Tisdale
A. Morin G. W. Muir
R. Newton J. B. Smith,
A. M. Shaw Secretary

Feed Committee

W. R. White, Chairman, Production Service, Dominion Department of Agriculture, Ottawa.

R. G. Knox E. W. Crampton

Beef Committee

R. S. Hamer, Chairman, Director, Production Service, Dominion Department of Agriculture, Ottawa.

J. P. Sackville C. F. Bailey
R. G. Knox W. D. Davies
L. B. Thomson Secretary

Weed Committee

Doctor K. W. Neatby, Chairman, Director, Agricultural Department, North-West Line Elevators Association, Winnipeg, Man.

E. S. Hopkins W. H. Wright

Soil Survey Committee

Doctor A. Leahey, Chairman, Central Experimental Farm, Dominion Department of Agriculture.

F. A. Wyatt P. C. Stobbe
G. N. Ruhnke

Item agreed to.

4. Contributions to empire bureaux, $36,407.

Mr. GRAYDON: Perhaps this was put on *Hansard* last year, but the answer is not fresh in my mind. What is the function of the empire bureaux, and how are the contributions, as far as Canada is concerned, arrived at in the figures shown in the estimates?

Mr. GARDINER: The amounts paid by each of the different countries contributing are arrived at at conferences held from time to time. The last conference was in 1936, and present contributions have been set as a result of that conference. The different countries within the empire meet together for the discussion of questions that are of mutual interest.

Mr. GRAYDON: Who are the representatives on the bureaux as far as Canada is concerned?

Mr. GARDINER: The names of the different bureaux that make up the organization are: soil science bureau; animal health bureau; animal nutrition bureau; animal genetics bureau; two bureaux of plant genetics, one at Cambridge and one in Wales; bureau of fruit production; and bureau of agriculture parasitology. That is the group. There are special men who are carrying on that kind of work, scientific experts representing all the countries.

Mr. GRAYDON: Are any of the bureaux located in Canada?

Mr. GARDINER:: There is one here at the present time, Farnham House. That has been located here during the war, but its home is in Britain.

Mr. MARSHALL: There are four: Farnham House laboratory, imperial agricultural bureaux, imperial bureau of entomology; imperial bureau of mycology.

Mr. GARDINER: Yes.

Mr. MARSHALL: Are these bureaux the minister has just mentioned subdivisions of the four main organizations mentioned in the auditor general's report?

Mr. GARDINER: I should have read the additional bureaux organized since 1928. They are: dairy science bureau; the mycological institute, and the institute of entomology. These have been organized since and brought into the bureaux.

Mr. MARSHALL: Are they taken care of under the vote?

Mr. GARDINER: Yes, all of them.

Item agreed to.

Science service—

5. Science service administration, $25,005.

Mr. PERLEY: Under science service there are five or six items that are important. In the minister's report for the year ended March 31, 1943, page 11 refers to science services. In the second paragraph it states that the work of the science service is directed toward a solution of practical problems of agriculture through the application of scientific investigation. I think very important work is being carried on in that connection, and I should like to ask the minister what system is used for distributing the information. I know pamphlets are sent out from time to time by the department and occasionally I get some. Generally, what is the system, and is there real value given for the expenditure and the work carried on? I mean, does the public get the information that this service can give?

Mr. GARDINER: In connection with that activity every possible means of communication is made use of. We issue pamphlets and publish items in the weekly papers and have announcements made on the radio. As a

matter of fact, we utilize practically every possible means of getting information related to this particular activity over to the public.

Mr. PERLEY: What is the response? Do you get any response?

Mr. GARDINER: Yes. I understand there is continuous response coming in. We receive applications for further information and for some of the information that is referred to in write-ups in the press and announcements over the radio.

Mr. GRAHAM: I think this is the item under which I can secure the information from the minister that I would like to have. My question is in regard to a matter of which I have little personal knowledge, but in which I have a considerable interest, namely, the suggested scientific development in the matter of the growing and cultivation of sugar beets. My interest arises from the fact that in my constituency a very substantial irrigation project is under way. The soil is suited to the growing of sugar beets, but we are all aware that compared with cane sugar the production of sugar from sugar beets has not been free from added cost, so much so that one hesitates to impose this cost upon the consumers of this country. It is for that reason that I took considerable interest in an article that appeared recently in a magazine. In this article it is suggested that in the United States they are now able to split the beet seed. As I understand the difficulty with regard to the cost of growing sugar beets either in the United States or in Canada, it has been a matter of the very great amount of hand labour required. The seeds grow in clusters and the plants grow out of these seeds in clusters. The only way to properly cultivate and take care of the sugar beet plant was by hand labour. The suggestion is that recently a Mr. Roy Bainer has invented a machine or a process whereby the beet seed cluster is split into single seed units. The seeds can now be sown separately and, in addition to that, by some of the other labour saving devices that Mr. Bainer has brought forth, the plants can be cultivated and taken care of by machines rather than by hand labour. It is suggested that the labour costs would be reduced in this way by some ninety per cent.

Incidentally I notice that in the United States it is suggested that until that development had taken place, in order to support a $100,000,000 industry, bonuses by way of subsidy or otherwise had to be paid to the extent of some $300,000,000. It is no wonder that the sugar beet growers would hail with delight a development that would put them in a competitive position with growers of cane sugar. If it is correct, we in Canada can reasonably look forward to growing economically our own sugar supplies. As I say, on the irrigation project in Swift Current, which stretches from Swift Current through Waldeck, Rush Lake, Herbert, Morse and south towards Hodgeville, an area served by both the Canadian Pacific and the Canadian National railways. There is land very suitable for the growing of sugar beets if this were economical. I would like to know from the minister or from his officials whether their attention has been drawn to this development in that particular agricultural product, and if Canada is paying the attention that it should to the suggested economy in producing sugar from sugar beets.

Mr. GARDINER: There have been articles, I think, in *Time* magazine, the *Reader's Digest* and some other publications of that kind which have put forth the idea that you could take a sugar beet seed, which is in clusters, break it up into individual parts and thereby sow just one seed where you now sow clusters, and thus reduce the labour in connection with the thinning of the plants. I have some memory of hoeing beets and turnips and a few other things in my younger days, and I hope that this gentleman is right, that they have some kind of machine that will thin out these different vegetables, the seeds of which are sown in large numbers, and thus do away with the manual labour that has been necessary in the past. We have nothing to indicate that any system has been worked out which will get away from at least a greater part of the labour of thinning out these different kinds of plants which must be sown much thicker than you expect to have them finally in order to make sure that you have sufficient of them there to produce what you want to produce. Having sown them in that way by some method, you must go through and thin them. That is all the information we have in the matter, the information we read in these different articles that have been written with regard to it.

Mr. DOUGLAS (Weyburn): I do not know whether the question I am about to ask comes under this item, but last year there was a discussion in the committee with regard to Russian dandelion, and it was said that twenty per cent latex was being derived from them. I believe the minister said that some investigation was being made into it. Has the minister or his department a report of their findings?

Mr. GARDINER: We are growing the dandelions experimentally. It would be quite proper to discuss it under botany, or plant pathology, or experimental farms. The experiments are being carried out on our farms, and

the discussion might properly come under botany. Probably we can make greater headway if we discuss it when Doctor Archibald is here because he has more knowledge of it.

Mr. BLACKMORE: Before we get too far away from the subject which the hon. member for Swift Current raised, the matter of sugar manufactured from sugar beets, I think it would be well to point out to the committee that in 1937 the beet sugar factories located in my constituency sold their sugar at four cents a pound. That sounds almost unbelievable, does it not? Yet in that year they made over $150 an acre for every acre in sugar beets that year. That sum of money was divided between the farmers and the manufacturer. I think that gives the lie to those who have maintained that the production of beet sugar in Canada is uneconomic. Then more recently the process which was mentioned by an hon. member has come into use, and several new types of labour-saving machinery have become available or are on the verge of becoming available, so that I think and in fact I am safe in saying I am sure the production of beet sugar in Canada will become an industry which we simply cannot afford to ignore. It has great possibilities.

Mr. GARDINER: I presume the $150 were the gross receipts?

Mr. BLACKMORE: No; I believe those were the net profits; however, I shall get the figures. I had expected to discuss this matter under another item.

Mr. GARDINER: It really would come under the experimental farm item; but I would suggest that the hon. member get the figures, because if there is a net profit of $150 an acre on land growing sugar beets there is not much of an argument for some of the demands that have been made upon the government.

Mr. BLACKMORE: I am not prepared to say whether that figure was gross or net, but I shall be prepared to discuss the figures in detail when the suitable item comes up. Canada has been exceedingly unwise in neglecting the beet sugar industry for the last ten years, and the Canadian people are paying the price that the foolish administration of the country has made them pay.

Item agreed to.

Science service—

6. Animal and poultry pathology, $174,300.

Mr. SENN: It seems to me this is one of the most important items coming under this branch of the department. The live stock industry has become perhaps one of the greatest industries in Canada. On a previous occasion and again to-day the minister gave figures to show the rapid increase in poultry production in this country, and I think I am safe in saying that more difficulty is encountered in raising live stock than in any other branch of agriculture. Every year literally millions of dollars are lost to the farmers through different animal diseases. I suppose the minister will say that a large sum of money is provided under the health of animals branch for administration of the Animal Contagious Diseases Act, but it seems to me that more could and should be done for the farmers of Canada from the point of view of research.

A number of animal diseases are prevalent in this country at the present time. First, we have tuberculosis which, however, has been eliminated to a certain extent and is pretty well under control. Then we have Bang's disease, which is causing great loss to our farmers. Unfortunately farmers very often try to hide rather than treat this disease. I understand that serums have been developed and that the policy of the department has been changed to permit the use of such serums, though only two or three years ago they were not allowed, I suppose for obvious reasons. Even so, however, the manufacture of these serums is largely confined to small areas. I believe the Guelph agricultural college does produce serums for vaccination against Bang's disease, but I think this department might very well undertake the manufacture of such serums or at least see that they are manufactured in plentiful supply. Another bad disease which very much concerns live stock producers in Ontario is what is called shipping fever, or hemorrhagic septicaemia. Farmers buy cattle in the Toronto stockyard, or other places, and take them home for feeding. They must have those animals vaccinated right away, or they may suffer very serious loss, and in some instances that loss is suffered in spite of the vaccination. A farmer brings home a carload of cattle for which he has paid a good price, only to lose one or two from this disease, and I think something should be done to control this disease in the stockyards and in the cars in which these cattle are shipped. Then again we have nutritional diseases in swine; we have poultry diseases; we have parasitic diseases, sheep stomach worms and so on. I feel that I am giving the minister wise advice when I say that a great deal more money should be provided for research purposes along these lines. After all, the loss from these causes amounts to millions of

dollars, and I would ask the minister what is being done particularly in regard to Bang's disease and hemorrhagic septicaemia.

Mr. WOOD: Before the minister replies I should like to add a word to the observations made by the hon. member for Haldimand, who has brought up a matter of vital importance to the farmers of Ontario. Farming in this country would be made much easier if something could be done about the diseases which have been mentioned by the hon. member, but I should like to add to the list the disease of mastitis, which is causing the dairymen serious loss. I believe there are certain fields that might be investigated in connection with the control of that disease. Some serums have been used for a time and have appeared to be quite successful, but later they have been found to be of very little value. It seems to me one of the greatest hazards with which the farmer has to contend.

Mr. SENN: That is, the dairy farmer.

Mr. WOOD: Yes. Then it seems to me that some research should be done in connection with pullorum, a disease which attacks poultry, and that a serum might be developed which would create immunity to this disease, because we know that certain flocks have become immune to it. The present method of having to blood test every chicken to find out whether its eggs should be retained is laborious work; but if a flock could be made immune it would mean a great deal to the farmer. I believe it to be a fact that pullorum can never be stamped out. Sparrows have it; pigeons have it, and they more or less mix with the farm flock, so that it would seem futile to try to eradicate the disease unless we are prepared to wipe out all the wild birds. I believe, however, that an effort might be made to develop a serum which would give immunity to the disease, and if that could be done it would be a great step in the right direction.

There is another matter to which I think the department should give some attention, namely, the protection of pure bred breeders in connection with a system of breeding which is becoming quite popular in many sections; that is, artificial insemination. This will lend itself to a great deal of fraud if something is not done to give authority to certain men to practise in this particular field. Many farmers assert that they can carry on this work just as well as anyone else. I believe, however, it should be confined to a certain number of people, so that they will have some authority to sign a certificate, thereby ensuring that the mating of those animals has not been done fraudulently, and so that there would be sires of calves which would set up a system of artificial insemination.

Mr. WRIGHT: I should like to add my voice to those of other hon. members who have spoken with respect to the advisability of increasing or supplementing this important vote. To my mind it is a most important one. Our live stock industry has greatly increased, and with that increase there has been an advance in the incidence of disease among live stock. Among hogs in western Canada in the last two years, because of increased production we have found an increased development in disease. That disease may have been in existence before, but we had not had it on our farms. I know many farmers have become discouraged and are going out of hog production because certain diseases have cropped up. I believe that there should be more investigation and that any information the department has should receive wider circulation than it now receives.

In my view the circulation of such information might be done through municipal offices in western Canada. The people in those offices are interested in our farming population, and the information could be distributed through them. I would urge that there be more investigation in connection with hog diseases. There is a loss of from twenty-five per cent to thirty per cent in young pigs, and I believe that half of that might be saved if there were a little more knowledge on the part of people who are in production. It is a matter of being penny wise and pound foolish, if we do not have more work along this line, and have a greater distribution of information.

Mr. GARDINER: I would first answer the question asked by the hon. member for Haldimand with regard to Bang's disease. This is a matter which has been discussed each year since I have been in the department. The story is simply one of advancement in treatment, and attempting to deal with the attack this disease has made upon cattle in Canada. It has been determined that the vaccination of calves during calf-hood, particularly if they are vaccinated at from four to six months of age, gives a considerable amount of defence against invasion of the causative organism of Bang's disease. This is being made use of in a practical manner in controlling infectious abortion. It can only assist and will never replace sanitary measures.

Along with this comes the question of the possibility of vaccinating mature cattle with strains of low virulence. Since the organisms introduced must be alive, there is the possibility that these may colonize in the animal and produce the disease, and result in abortion

or permanent infection. Experiments of considerable proportions are under way in regard to this subject, and it is hoped that in the relatively early future this factor in Bang's disease particularly will be clearly understood.

That is the end of the review of what is being done, and the results that have been obtained from the experiments carried on up to date. I may say that the practice of marking animals which have once been found to have Bang's disease was brought into effect the first year I was Minister of Agriculture. They are marked with a "B" in the ear, and anyone who is buying cattle can know that they have been tested, and that they have shown reaction.

Mr. SENN: Would the minister say that the blood test which is made can be relied upon in all cases?

Mr. GARDINER: Yes, we rely upon it in all cases. There may be mistakes occasionally, but it is just as reliable as tests made for tuberculosis.

With regard to mastitis, I may say that experiments are continuing. Our studies with the various chemo-therapeutic agents which have been suggested have not given encouraging results, except when they are used in the very early stages of infection. So far as our studies have advanced they suggest that the control of economic loss from mastitis must be done by sanitary measures, together with chemo-therapy in the early infection.

Shipping fever has been given considerable attention in our laboratories. This is a disease which is generally considered as being due to the causative agent of haemorrhagic septicaemia, and appears to have a much wider etiological cause. We suspect, although we have not been able to prove it, that it is associated with a virus. At any rate, we can say that clinically shipping fever is not always due to the causative agent of haemorrhagic septicaemia, and that vaccination with this organism is not a satisfactory method of control. That experience we have had with it up to the present time.

Mr. SENN: But it is the only control there is, is it not?

Mr. GARDINER: Yes; it is the only control known at the present time.

The other question, as to the spread of disease among live stock, and particularly among hogs, owing to the fact that more farmers are raising hogs, and raising them in greater numbers, is one which is being taken care of, as far as is possible, through cooperation with the provincial authorities. That is to say, we have our men out working on it, and the provincial authorities have their men. We cover the different rural districts from time to time, and everything which can be done to assist farmers is being done; that is, everything that can be done with the expenditure of money we are now making.

The question as to whether expenditures should be increased is one which is always involved in building up our estimates. During war time we do not think we can spend any more than we are now spending. I quite realize it may be said in answer that probably we would be doing a great deal more for production of meat, and that kind of thing, by that method than by some other method. But there is the difficulty that we have a shortage of qualified men to act in the outlying districts, largely because for a long period of time it has not paid very well for men to take up the studies of a veterinary. The result is that we have not had as many as we could use, particularly with the number of stock spread across Canada. Probably there is not as much being done as might be done in that regard.

Mr. BLACKMORE: Would the minister consent to reverting to item 5? I should like to read a statement of the figures to which I referred a moment ago, so that it may be correct in *Hansard*. I went to my office to get the figures, and I now read from the submission of the Alberta cooperative sugar beet growers' association to the royal commission on dominion-provincial relations, commonly known as the Rowell-Sirois commission. This is what I find at page 2:

> To indicate the value of this industry—

And this is a reference to the sugar beet industry—

> —to the agriculture of our district, the community in general and the Dominion of Canada, we submit the following figures relating to the 1937 beet crop:
>
> 235,481 tons of beets were produced from 19,829 acres of irrigated land—an average of 11·88 tons per acre.
>
> 75,603,700 pounds of sugar were manufactured.
>
> 3,813 pounds was the per acre yield of refined sugar.
>
> $3,040,000 worth of sugar was manufactured.
>
> $155 was the total gross return per acre.
>
> $77.50 was the gross return to the manufacturer.
>
> $77.50 was the gross return per acre to the farmer.
>
> The farmers' costs approximated $60 per acre which includes $25 per acre paid for hand labour by the farmer. These figures were given in a speech made by T. George Wood, manager, Canadian Sugar Factories Limited, at Lethbridge, Wednesday, March 23, 1938. We believe that this land is producing more food value per acre than any other land in the dominion.

Mr. GARDINER: What became of the rest of the $155? The farmers' cost was approximately $60.

Mr. BLACKMORE: The rest of it would be income on irrigated land.

Mr. GARDINER: The cost of operating irrigated lands.

Mr. BLACKMORE: I shall go into this in greater detail if the minister desires.

Mr. GARDINER: Those figures show a gross return of $155 an acre and the farmer's costs approximate $60 an acre. Would that be labour?

Mr. BLACKMORE: The farmer's costs approximate $60 an acre, which includes $25 an acre for hand labour.

Mr. GARDINER: That other figure of $77.50, was that the profit of the refinery?

Mr. BLACKMORE: The farmer was getting $77.50 and the refinery was getting $77.50. The farmer's net would be $77.50 less $60 or $17.50.

Mr. FAIR: Could the minister give us the total value of cattle destroyed on account of Bang's disease since he became minister?

Mr. GARDINER: If the hon. member would wait until we get to health of animals we shall have those figures. It is eight years since I became minister.

Mr. FAIR: Is the best treatment for this disease to kill the animal, or can the disease be combated successfully by other means?

Mr. GARDINER: I stated a few moments ago that if the calf vaccine is used early enough, when the animal is from four to six months old, it is possible to check the disease to a certain extent, but as animals get older it is thought best to kill them.

Mr. FAIR: Have any other methods of taking care of this disease been discovered?

Mr. GARDINER: We have a Bang's disease control policy, but I repeat that the general idea is that when once an animal is marked as being afflicted with the disease the best thing to do is to kill it. There are quite a number of herds in Canada which are Bang's disease free. Animals have become marked and the owners simply have got rid of them.

Mr. FAIR: My experience has shown that even though diseased animals are cleaned out of the herd, other animals continue to get the disease. Has that been the experience all over Canada?

Mr. GARDINER: The fact that an animal has been afflicted and destroyed is not a guarantee that the rest of the herd will not become infected from some other source. That is possible at all times.

Mr. SENN: The minister has promised to bring down figures showing the losses on account of this disease.

Mr. GARDINER: The number of animals slaughtered.

Mr. SENN: There is another phase which concerns dairy animals particularly. When such an animal is infected the milk production is affected and there is great loss. Has any computation been made of that loss? The minister has stated that one of the means of controlling Bang's disease and hemorrhagic septicaemia is to adopt sanitary measures. I realize that those measures would be quite effective, but has anything been done to acquaint live stock producers with what sanitary controls are necessary? Is any literature being circulated?

There is another question I should like to ask. What laboratory facilities are available in the department at the present time? Where are these laboratories located and how are they manned? I suppose they are manned by veterinary surgeons, but are these men qualified to do research work? I should like a general statement on the laboratory situation throughout the country.

Mr. GARDINER: The main laboratory dealing with Bang's disease is just across the river in Hull. Then there is one at Lethbridge and one in British Columbia, just outside Victoria. They met with considerable success in their experiments. The material which I placed on *Hansard* this evening emphasizes that sanitary control is the important thing. That is true also with diseases that afflict hogs. Many farmers make a practice of not running hogs too long in the same yard. They move them from place to place in order to avoid having them become afflicted. There are pamphlets sent out covering all these things, and they go out by the thousands to farmers all over the country. They show the farmers how to take care of their flocks of sheep, their litters of hogs and their herds of cattle. The farmers are encouraged to write in for these pamphlets.

Mr. SENN: Many farmers who are in trouble with these diseases do not know that these pamphlets are available. Is any advertising done to acquaint the farmers with where they can obtain these pamphlets? The minister has stated that a number of herds are free from Bang's disease. I understand the

United States accepts the blood tests made on Canadian cattle. The minister also referred to the vaccination of calves at a certain age. As I understand it, this vaccine contains live organisms, and I should like to know if this vaccine remains effective until an animal reaches maturity. I understand that these organisms are never entirely absent from an animal. I think the minister understands what I am getting at.

Mr. GARDINER: The information I have is that they do not colonize in the calf and that as a result they are not found in the animal when a test is made in later life. They do not carry it on through.

Mr. SENN: Do they establish immunity?

Mr. GARDINER: Yes, they establish immunity. There was some question in the minds of officials of this department in the earlier stages in the use of the treatment, but I think they have come to agree that there is considerable merit in it and that it does establish immunity. Of course, one cannot be sure how long that immunity will last.

Mr. SENN: I do not think it is permanent.

Mr. RICKARD: Have these calves been vaccinated when under six months of age? Has the department had experience with the vaccine when the calves are eight months old? Will they be free from Bang's disease after that age, or is it only up to six months?

Mr. GARDINER: The treatment has been proven in experiments up to eight months, and experiments are being made with older animals. It has been pretty well established that the treatment is effective up to eight months.

Mr. RICKARD: Does it take longer to clear up after eight months?

Mr. GARDINER: Slightly longer.

Mr. NICHOLSON: I see under this vote that two veterinary inspectors are engaged at $2,520 each. How long have they been with the department and at what salary did they start?

Mr. GARDINER: They are two officials who are working in the plant at Hull and are classified as veterinary inspectors. They have been on the staff here for quite a few years.

Mr. COLDWELL: Are they qualified veterinary inspectors?

Mr. GARDINER: Yes.

Mr. COLDWELL: I wonder why they do not go into veterinary practice.

Mr. GARDINER: In the section where I am farming it was difficult until recently for a veterinary to make a living.

[Mr. Senn.]

Mr. COLDWELL: Can they live decently on that salary?

Mr. GARDINER: It is more than the average veterinary out in the country has been making in the last two or three years.

Mr. NICHOLSON: These men have to take university training, and I think it is unfortunate that the federal department should pay them such low salaries. The minister said they have been with the department for a number of years. Exactly how many years has a veterinary surgeon to work before he gets a salary of $2,520 a year? How long have these men been with the department?

Mr. GARDINER: The student has to take a five-year course, or just about as long as medicine for human beings, and it is rather an expensive course, but the difficulty is that many farmers do not make use of the veterinary to the extent they should sometimes because prices of animals have been low and they have not considered it worth while to use the veterinary's services.

Mr. COLDWELL: But these men are employed by the government.

Mr. GARDINER: Yes, doing inside work.

Mr. NICHOLSON: How long have they been with the department?

Mr. GARDINER: One for about twenty years and the other for about fifteen years.

Mr. NICHOLSON: Before the minister brings down his estimates for next year, some consideration should be given to an increase in salaries, especially after the minister has admitted that the health of animals is so important nowadays. It is disgraceful to require trained technical men to work for fifteen or twenty years at such a low salary range.

Mr. GARDINER: All of these men right through this list are veterinaries. They are not listed as such, but every man there is a veterinary, right up to the head of the branch, where the pay is $4,320. The salary depends upon the work they are doing. Apparently these two men are prepared to do the work which is required in these particular positions at that salary. I imagine they would appreciate it very much if they got more, but the salaries are standardized by the civil service commission.

Mr. SENN: I do not wish to hold up this item, but I wish to make one more appeal to the minister that more should be expended on this service. The losses to the live stock industry because of diseases are very great, and I think more should be expended on the prevention of diseases of animals, even if it is not expended under this item. I was going to

make a suggestion to the minister that if no other way can be found of increasing the amount, a small tax could be put on the live stock producers, who I am sure would be glad to pay a small amount per head of stock to see this research work enlarged and a much more comprehensive programme of research carried on. It would take very little per head of live stock throughout the country to raise sufficient funds to make this service a real asset to the farmers of the country. I leave that suggestion with the minister, that in any event more money should be expended on this service.

Mr. QUELCH: Who is responsible for granting permits to United States veterinaries to practise in Canada?

Mr. GARDINER: I understand that that comes under the provinces.

Mr. DOUGLAS (Weyburn): Would the minister make a statement now, or at some later stage when his estimates are before the committee, with reference to this and the other scientific service branches, dealing with their work for the benefit of those members of the committee who are not farmers. As I understand it, these are research branches seeking to gather information in regard to certain animal diseases. How are the results of their researches made available to the farmers? The minister says that literature is sent out. I should like to know on what basis it is sent out. Does the farmer know where to send for it? Is a mailing list kept? Also with regard to vaccines, are they made available to farmers through the provincial departments of agriculture? Going around last fall, I found the live stock producers experiencing contagious abortion among cattle and erysipelas among hogs. The veterinaries were terribly overworked. In the second place I found that many farmers did not know how to go about dealing with that particular situation because some of them had started to raise live stock only since the war began. How do they go about getting this information? Would the minister tell the committee so that the farmers will know how the results of this research work can be made available to them.

Mr. GARDINER: Health, of course, whether of animals or of human beings, is largely under the control of the provinces, and in most of the provinces they have district representatives who are out covering those areas. That is true in Saskatchewan and elsewhere. These men are very well informed as to all the different treatments that can be given, and then there are, of course, in some districts the veterinarians who are consulted. Publications are put out in great numbers by the department in all sections of the country, and there are articles in the local papers which can be read by the farmers, and which give a great deal of information. In the district in which I farm, the best agent is the druggist who handles many of the treatments. He gives more publicity to what can be done and probably gives better service to the farmers than anyone else. He is in the district and keeps track of all treatments that can be used, and he takes the trouble to go among the farmers and indicate what can be done. That, of course, is part of his own business in distributing the things he has to sell. In the different districts it is done in different ways, but most farmers are well informed as to what can be done, where to get information and how to use the different treatments, though, of course, it is like everything else concerning disease; the treatment is not always administered at the right time and is, therefore, not preventive but rather curative.

Mr. DOUGLAS (Weyburn): Does the federal government supply the vaccine to the farmers?

Progress reported.

On motion of Mr. Mackenzie (Vancouver Centre) the house adjourned at 11:05 p.m.

Monday, March 6, 1944

The house met at three o'clock.

PRIVILEGE

REFERENCE TO REMARKS IN SASKATCHEWAN LEGISLATURE

Mr. M. J. COLDWELL (Rosetown-Biggar): Before the business of the house is proceeded with may I say that in the Ottawa *Citizen* of Saturday, March 4, there appears on page 9 a report of a meeting of the Saskatchewan legislature. In the course of that report Mr. Carl Stewart, member for Yorkton, Saskatchewan, is reported to have said:

> I make the charge that Mr. Coldwell, Mr. Castleden and Mr. Feeley have improperly interfered with the board to keep men out of uniform.

Mr. Feeley is a member of the Saskatchewan legislature, and the board referred to is the moboiization board. I wish to say that the charge is wholly false, and comes from a person of whom the present chairman of the mobilization board, Mr. Justice Anderson, said on December 4, 1943, that "people who know Mr. Stewart would not take his criticism too seriously."

Some hon. MEMBERS: Order.

Mr. COLDWELL: I think it is my right to say that if Mr. Stewart has any charge to lay against any member of parliament for improper conduct the place to lay it is with the responsible minister in order that the matter may be reported to this house and dealt with in a proper manner.

Mr. G. H. CASTLEDEN (Yorkton): On a question of privilege, Mr. Speaker, arising out of the same dispatch, my name was mentioned as having improperly interfered with the operations of the same board in the province of Saskatchewan. I also wish to state that this charge is absolutely false. Evidence produced at different times in this house proves fairly conclusively that the Saskatchewan board is completely out of line in its attitude towards potsponements with the other boards across Canada. As an instance I refer to the statement of the Minister of National War Services, which is found on page 4306 of *Hansard* of November 12, 1941, which reveals that during the training periods—

Some hon. MEMBERS: Order.

Mr. SPEAKER: The hon. member is now going far beyond any question of privilege.

Mr. CASTLEDEN: On a question of privilege have I not the right to state that in the absence of any evidence to support this charge we are asking for the tabling of all correspondence with respect to the dealings of this board, and we repeat that this statement is absolutely false.

CANADIAN ARMY

DECORATIONS FOR GALLANTRY

Hon. J. L. RALSTON (Minister of National Defence): On February 28 I told the house that the list of the members of the Canadian army who have received decorations for gallantry in this war would be tabled just as soon as a number of recent operational awards had been gazetted. Those latest awards have now been gazetted and appear in the special edition of the *Canada Gazette* published to-day.

I now have the privilege of submitting to the house the names of almost five hundred members of the Canadian army to whom honours have been awarded by His Majesty for deeds of gallantry and devotion to duty in this war. With the unanimous permission of the house I would ask that these names be given a permanent record on *Hansard*.

With the exception of the Victoria Cross, it is not the practice to publish the citations showing the detailed circumstances under which the awards were earned. In the case of the award of the Victoria Cross the practice is to publish not only the name but the citation as well. That decoration, as the house knows, is the highest award for valour and devotion to duty that can be conferred on a member of the fighting forces by his king.

There are two awards of the Victoria Cross in the list which I am submitting to-day. One has already been published. It is the award to Lieutenant-Colonel Cecil Merritt for heroic and inspiring leadership at Dieppe. The citation appeared in the *Canada Gazette* of October 10, 1942. I shall read it, Mr. Speaker, in order that it may be on *Hansard*:

> The King has been graciously pleased to approve the award of the Victoria Cross to:
>
> Lieutenant-Colonel Charles Cecil Ingersoll Merritt, the South Saskatchewan Regiment.
>
> For matchless gallantry and inspiring leadership whilst commanding his battalion during the Dieppe raid on the 19th August, 1942.
>
> From the point of landing, his unit's advance had to be made across a bridge in Pourville which was swept by very heavy machine-gun, mortar and artillery fire; the first parties were mostly destroyed and the bridge thickly covered by their bodies. A daring lead was required; waving his helmet, Lieutenant-Colonel Merritt rushed forward shouting "Come on over! There's nothing to worry about here."
>
> He thus personally led the survivors of at least four parties in turn across the bridge. Quickly organizing these, he led them forward and when held up by enemy pill-boxes he again headed rushes which succeeded in clearing them. In one case he himself destroyed the occupants of the post by throwing grenades into it. After several of his runners became casualties, he himself kept contact with his different positions.
>
> Although twice wounded Lieutenant-Colonel Merritt continued to direct the unit's operations with great vigour and determination and while organizing the withdrawal he stalked a sniper with a Bren gun and silenced him. He then coolly gave orders for the departure and announced his intention to hold off and "get even with" the enemy. When last seen he was collecting Bren and tommy guns and preparing a defensive position which successfully covered the withdrawal from the beach.
>
> Lieutenant-Colonel Merritt is now reported to be a prisoner of war.
>
> To this commanding officer's personal daring the success of his unit's operations and the safe reembarkation of a large portion of it were chiefly due.

Mr. BLACK (Cumberland): If the minister would allow me to do so I should like to add that this man is also a great grandson of a former prime minister of this country, Sir Charles Tupper, one of the greatest of Canadians.

Mr. MACKENZIE (Vancouver Centre): And he comes from Vancouver city.

Mr. RALSTON: The other award of the Victoria Cross appears in the special edition of the *Canada Gazette* which is issued to-day, along with about fifty other late operational awards. The recipient is Captain (acting Major) Paul Triquet, a member of the famous Royal 22nd Regiment. The award to Captain (acting Major) Triquet is also for heroic and resourceful leadership. The scene was the battle of Ortona in Italy. I shall read that citation:

The King has been graciously pleased to approve the award of the Victoria Cross to:

Captain (acting Major) Paul Triquet, Royal 22e Regiment.

For determined leadership and example.

The capture of the key road junction on the main Ortona-Orsogna lateral was entirely dependent on securing the hamlet of Casa Berardi. Both this and a gully in front of it had been turned by the Germans into formidable strong points defended by infantry and tanks.

On 14 December, 1943, Captain Triquet's company of the Royal 22e Regiment with the support of a squadron of a Canadian armoured regiment was given the task of crossing the gully and securing Casa Berardi. Difficulties were encountered from the outset. The gully was held in strength and on approaching it the force came under heavy fire from machine guns and mortars. All the company officers and fifty per cent of the men were killed or wounded. Showing superb contempt for the enemy, Captain Triquet went round reorganizing the remainder and encouraging them with the words, "Never mind them, they can't shoot," finally when enemy infiltration was observed on all sides, shouting "There are enemy in front of us, behind us and on our flanks, there is only one safe place, that is on the objective," he dashed forward and with his men following him broke through the enemy resistance. In this action four tanks were destroyed and several enemy machine gun posts silenced.

Against bitter and determined defence and under heavy fire, Captain Triquet and his company in close cooperation with the tanks, forced their way on until a position was reached on the outskirts of Casa Berardi. By this time the strength of the company was reduced to two sergeants and fifteen men. In expectation of a counter-attack, Captain Triquet at once set about organizing his handful of men into a defensive perimeter around the remaining tanks and passed the mot d'ordre "Ils ne passeront pas." A German counter-attack supported by tanks developed almost immediately. Captain Triquet, ignoring the heavy fire, was everywhere encouraging his men and directing the defence, and by using whatever weapons were to hand personally accounted for several of the enemy. This and subsequent attacks were beaten off with heavy losses and Captain Triquet and his small force held out against overwhelming odds until the remainder of the battalion took Casa Berardi and relieved them the next day.

Throughout the whole of his engagement Captain Triquet showed magnificent courage and cheerfulness. Wherever the action was hottest he was to be seen shouting encouragement to his men and organizing the defence. His utter disregard of danger, his cheerfulness and tireless devotion to duty were a constant source of inspiration to them. His tactical skill and leadership enabled them, although reduced by casualties to a mere handful, to continue their advance against bitter resistance and to hold their gains against determined counter-attacks. It was due to him that Casa Berardi was captured and the way opened for the attack on the vital road junction.

Mr. Speaker, the Canadian army is proud indeed of the exploits of all these gallant comrades. The record in all these cases shows high qualities of sacrifice and heroism and endurance. These deeds are not only an inspiration to their comrades; they are equally an example and a challenge to those of us at home. They have brought great honour to Canada.

The list of names and awards follows:

APPENDIX "A"

Operational Gallantry Awards

Victoria Cross (V.C.)
Distinguished Service Order (D.S.O.)
Bar to The Military Cross
Military Cross (M.C.)
Distinguished Conduct Medal (D.C.M.)
Military Medal (M.M.)
Mentions in Despatches
Foreign Awards

Operational Gallantry Awards

The Victoria Cross (V.C.)

Rank and Name—Corps—Address

Lt.-Col. C. C. I. Merritt, Canadian Infantry Corps, 201 Charles Street, Belleville, Ontario.

Capt. (A/Major) P. Triquet, Canadian Infantry Corps, Cabano, Temiscouata Co., Que.

The Distinguished Service Order (D.S.O.)

Maj.-Gen. J. H. Roberts, M.C., Kingston, Ontario.

Brigadier S. Lett, M.C., E.D., 1728-40th Avenue W., Vancouver, B.C.

Brigadier C. C. Mann, 150 Balmoral Avenue, Toronto, Ontario.

Lt.-Col. R. D. King, Canadian Infantry Corps, Summer Street, Cornwallis Manor, Halifax, N.S.

Lt.-Col. D. Ménard, Canadian Infantry Corps, 189 Blvd. de L'Entente, Quebec, P.Q.

Major J. Begg, E.D., Canadian Armoured Corps, 633-7th Avenue W., Calgary, Alta.

Major D. G. Cunningham, Canadian Infantry Corps, 270 Albert Street, Kingston, Ontario.

Major A. H. Fraser, Canadian Infantry Corps, 935 St. Charles Street, Victoria, B.C.

Major A. T. Law, Canadian Infantry Corps, 117 Sunnyside Blvd., Sturgeon Creek, St. James County, Man.

Major J. E. McRae, Canadian Infantry Corps, 2209 Oak Bay Avenue, Victoria, B.C.

Captain (A/Major) M. E. P. Garneau, Canadian Infantry Corps, 2174 Lincoln Avenue, Montreal, P.Q.

Captain W. D. Whitaker, Canadian Infantry Corps, 5 Montclair Avenue, Toronto, Ontario.

Captain G. A. Browne, The Royal Canadian Artillery, 55 Delaware Avenue, Ottawa, Ontario.

Maj.-Gen. G. G. Simonds, C.B.E., DeBary Apartments, Wardlaw Avenue, Winnipeg, Man.

Brigadier H. D. Graham, E.D., Trenton, Ontario.

Brigadier C. Vokes, 433 Besserer Street, Ottawa, Ontario.

Lt.-Col. E. L. Booth, Canadian Armoured Corps, Penetanguishene, Ontario.

Lt.-Col. J. C. Jefferson, E.D., Canadian Infantry Corps, 11319-79th Street, Edmonton, Alta.

Lt.-Col. B. A. Sutcliffe, E.D., Canadian Infantry Corps, R.R. No. 2, Trenton, Ontario.

Lt.-Col. G. Walsh, The Corps of Royal Canadian Engineers, Oakville, Ontario.

Major H. P. Bell-Irving, Canadian Infantry Corps, Vancouver, B.C.

Major K. J. Southern, The Corps of Royal Canadian Engineers, 584 Red River Road, Port Arthur, Ont.

Major G. A. Welsh, The Royal Canadian Artillery, Sunderland, Ont.

Brigadier A. B. Matthews, 3 Clarendon Crescent, Toronto, Ont.

Lt.-Col. B. M. Hoffmeister, Canadian Infantry Corps, 4749 Belmont Ave., Vancouver, B.C.

Lt.-Col. G. Kitching, Canadian Infantry Corps, Shoreham-by-Sea, Sussex, England.

Lt.-Col. H. M. Hague, E.D., The Royal Canadian Artillery, 4477 Montrose Ave., Westmount, Que.

Major W. G. Bury, E.D., Canadian Infantry Corps, 10933-80th Ave., Edmonton, Alta.

Major A. S. Donald, Canadian Infantry Corps, 9842-112th St., Edmonton, Alta.

Brigadier R. A. Wyman, E.D., 11214-67th St., Edmonton, Alta.

Lt.-Col. J. P. E. Bernatchez, O.B.E., Canadian Infantry Corps, Montmagny, Que.

Lt.-Col. M. P. Bogert, Canadian Infantry Corps, 1227 Sherbrooke St. W., Montreal, Que.

Lt.-Col. I. S. Johnston, Canadian Infantry Corps, 81 Binscarth Roard, Toronto, Ont.

Lt.-Col. J. N. Lane, The Royal Canadian Artillery, Halifax, N.S.

Lt.-Col. C. H. Neroutsos, Canadian Armoured Corps, 1757 Allison Road, University Hill, Vancouver, B.C.

Major (A/Lt.-Col.) C. B. Ware, Canadian Infantry Corps, 66 Forest Hill Road, Toronto, Ont.

Major R. B. Fraser, The Corps of Royal Canadian Engineers, 312 Lonsdale Road, Toronto, Ont.

Bar to the Military Cross (M.C.)

Captain P. Lieven, M.C., The Royal Canadian Artillery, Montreal, Que.

Captain N. B. Buchanan, M.C. The Royal Canadian Artillery, St. Stephen, N.B.

The Military Cross (M.C.)

Capt. L. G. Alexander, The Royal Canadian Army Medical Corps, 1306 Scotland St., Calgary, Alta.

Capt. H. B. Carswell, The Royal Canadian Artillery, Ottawa, Ontario.

Capt. F. W. Hayter, The Royal Canadian Army Medical Corps, Alameda, Sask.

Capt. H. J. Kennedy, Canadian Infantry Corps, 1100 Ouellette Ave., Windsor, Ont.

Capt. R. H. Lajoie, Canadian Infantry Corps, 360 Redfern Ave., Westmount, Que.

Cap. D. F. MacRae, Canadian Infantry Corps, 214 Pitt St., Cornwall, Ont.

Capt. R. J. Wilkinson, Canadian Infantry Corps, 18 Clappertor St., Barrie, Ont.

H/Capt. J. P. Browne, Canadian Chaplain Services, Dauphin, Man.

Lieut. J. C. H. Anderson, Canadian Infantry Corps, 65 Burnaby Blvd., Toronto, Ont.

Lieut. P. Benoit, Canadian Infantry Corps, Montreal, Que.

Lieut. J. G. Counsell, Canadian Infantry Corps, 5226 Cote St. Antoine Rd., Montreal, Que.

Lieut. W. A. Ewener, The Corps of Royal Canadian Engineers, 494 Wellington St., Sarnia, Ont.

Lieut. J. B. Gartshore, Canadian Infantry Corps, R.R. No. 3, Dundas, Ont.

Lieut. A. C. Kavanagh, Canadian Infantry Corps, 571 Home St., Winnipeg, Man.

Lieut. P. P. Loranger, Canadian Infantry Corps, Montreal, Que.

Lieut. J. E. E. McManus, Canadian Infantry Corps, 554 Driveway, Ottawa, Ont.

Capt. J. Runcie, Canadian Infantry Corps, Mayfair Apts., Winnipeg, Man.

Lieut. A. A. Masson, Canadian Infantry Corps, 5978 Durocher, Outremont, Que.

Capt. A. F. Graham, The Royal Canadian Army Medical Corps, 112 St.Clair Ave. West, Toronto, Ont.

Capt. W. H. V. Matthews, Canadian Infantry Corps, c/o Milnes Landing, Sooke, Vancouver Island B.C.

Capt. N. B. Buchanan, The Royal Canadian Artillery, St. Stephen, N.B.

Capt. P. Lieven, The Royal Canadian Artillery, Montreal, Que.

Capt. R. C. Coleman, Canadian Infantry Corps, Montreal, Que.

Capt. W. K. MacDonald, The Royal Canadian Army Medical Corps, 220 Kent St., Charlottetown, P.E.I.

Capt. H. D. P. Tighe, Canadian Infantry Corps, 8 St. George's Cresc., Edmonton, Alta.

Capt. N. R. Waugh, Canadian Infantry Corps, 224A Pitt St., Cornwall, Ont.

Lieut. (A/Capt.) L. Bouchard, Canadian Infantry Corps, Riviere du Loup, Quebec.

Lieut. (A/Capt.) M. J. A. Trudeau, Canadian Infantry Corps, 613 Rue St. Jean, Quebec, Que.

Lieut. G. E. Atkinson, The Corps of Royal Canadian Engineers, Port Rowan, Ont.

Lieut. R. Carey, Canadian Infantry Corps, Davie Street, Vancouver, B.C.

Lieut. H. T. Carson, Canadian Armoured Corps, 127 Second Avenue, Ottawa, Ont.

Lieut. N. W. Dickson, The Corps of Royal Canadian Engineers, 519 Burnell Street, Winnipeg, Man.

Lieut. G. C. Evans, The Royal Canadian Artillery, McAdam Junction, N.B.

Lieut. W. K. Heron, The Corps of Royal Canadian Engineers, Asbestos, Que.

Lieut. E. St. J. C. Murdoch, The Royal Canadian Artillery, MacLeod, Alta.

Lieut. P. F. Potvin, Canadian Infantry Corps, 85 Rue Claire-Fontaine, Quebec, Que.

Lieut. O. L. Roberts, Canadian Armoured Corps, 269 Dufferin Avenue, London, Ont.

Lieut. R. W. Ryckman, Canadian Armoured Corps, LeRoy Avenue, Darian, Conn., U.S.A.

Capt. G. L. F. McNeil, Canadian Infantry Corps, Grand Narrows, N.S.

Capt. D. J. Watson, The Royal Canadian Artillery, Pincher, Creek, Alta.

Lieut. E. W. S. O'Toole, Canadian Armoured Corps, 2156 Sherbrooke St. W., Montreal, Que.

Lieut. G. Robitaille, Canadian Infantry Corps, 5 Ste. Catherine St., Lauzon, Levis, P.Q.

Capt. (A/Major) D. W. McLean, Canadian Infantry Corps, 4299 Montrose Ave., Montreal, Que.

H/Capt. (A/H/Major) R. O. Wilkes, Canadian Chaplain Services, 627 Young Street, Winnipeg, Man.

H/Capt. J. L. Wilhelm, Canadian Chaplain Services, Walkerton, Ont.

Capt. R. M. Dillon, Canadian Infantry Corps, 25 Marley Place, London, Ont.

Capt. G. M. C. Sprung, Canadian Intelligence Corps, 260 Metcalfe Street, Ottawa, Ont.

Lieut. M. C. D. Bowman, Canadian Infantry Corps, 362 Walmer Road, Toronto, Ont.

Lieut. J. A. Dougan, Canadian Infantry Corps, Barrie, Ont.

Lieut. G. R. Guy, Canadian Infantry Corps, 217 Cobourg Road, Halifax, N.S.

Capt. H. W. Chestnut, The Royal Canadian Army Medical Corps, Moosomin, Sask.

Capt. G. D. Mitchell, The Royal Canadian Artillery, 661 Grosvenor Avenue, Westmount, P.Q.

Capt. (A/Major) E. A. C. Amy, Canadian Armoured Corps, Kentville, King's Co., N.S.

Capt. (A/Major) J. P. Fletcher, The Royal Canadian Army Medical Corps, 19 Tranby Avenue, Toronto, Ont.

Capt. (A/Major) F. J. Hammond, Canadian Infantry Corps, 336 Christie Street, Pembroke, Ont.

Capt. (A/Major) H. A. Smith, Canadian Armoured Corps, Dauphin, Man.

Capt. (A/Major) J. R. Walker, Canadian Armoured Corps, 1183 Gauthier Street, Three Rivers, Que.

Capt. (A/Major) S. W. Thomson, Canadian Infantry Corps, Salmon Arm, B.C.

Capt. P. L. Cadegan, The Royal Canadian Corps of Signals, 6 Blackett Street, Glace Bay, N.S.

Capt. L. I. Knowles, Canadian Armoured Corps, 180 Lisgar St., Ottawa, Ont.

H/Capt. J. F. Goforth, Canadian Chaplain Services, 55 Belmont Street, Toronto, Ont.

Lieut. (A/Capt.) J. H. Jones, Canadian Infantry Corps, 23 Elliott Street, Dartmouth, N.S.

Lieut. (A/Capt.) J. C. MacNeil, Canadian Infantry Corps, 140 Mountain Road, New Glasgow, N.S.

Lieut. (A/Capt.) H. A. R. Martin, The Royal Canadian Artillery, 3459 Peel Street, Montreal, P.Q.

Lieut. J. L. K. Buchan, Canadian Armoured Corps, 48 High Park Blvd., Toronto, Ont.

Lieut. A. J. Charbonneau, Canadian Armoured Corps, 554 Lisgar Street, Ottawa, Ont.

Lieut. F. W. Hamilton, The Corps of Royal Canadian Engineers, Baldur, Man.

Lieut. S. C. Kenyon, The Corps of Royal Canadian Engineers, 36 Longwood Rd. S., Hamilton, Ont.

Lieut. D. R. Sharpe, Canadian Infantry Corps, 150 St. John St., Woodstock, Carleton Co., N.B.

Lieut. J. F. Wallace, Canadian Armoured Corps, 48 Mary Street, Barrie, Ontario.

The Distinguished Conduct Medal (D.C.M.)

D61000 W.O.1 (RSM) R. Levesque, Canadian Infantry Corps, 974 Amherst Street, Montreal, P.Q.

H19266 W.O.2 (CSM) G. Gouk, Canadian Infantry Corps, 844 Ingersoll Street, Winnipeg, Man.

B36973 W.O.2 (CSM) J. Stewart, Canadian Infantry Corps, 175 George Street, Hamilton, Ont.

H19814 Sergeant E. E. Gordon, Canadian Infantry Corps, Wapella, Sask.

A19407 L/Sergeant G. A. Hickson, The Corps of Royal Canadian Engineers, 36 Herlan Avenue, Kitchener, Ont.

H19715 Corporal A. Brygider, Canadian Infantry Corps, 32 Maple Street, Winnipeg, Man.

L13504 L/Corporal G. B. Berthelot, Canadian Infantry Corps, 1827 Osler Street, Regina, Sask.

B66984 L/Corporal L. G. Ellis, Canadian Infantry Corps, 86 Elder Avenue, Long Branch, Ont.

A20191 L/Corporal M. D. Sinasac, The Corps of Royal Canadian Engineers, Windsor, Ont.

B37087 Private T. W. Graham, Canadian Infantry Corps, Guelph, Ont.

L13282 Private W. A. Haggard, Canadian Infantry Corps, Tisdale, Sask.

A21509 Private J. Maier, Canadian Infantry Corps, 785 Partington Avenue, Windsor, Ont.

B37767 Private H. Wichtacz, Canadian Infantry Corps, R.R. No. 1, Galt, Ont.

U1853 Corporal W. F. Kay, Canadian Infantry Corps, 109 Bedford Hill, Balham S.W. 12, London, Eng.

G21012 Private M. Brisson, Canadian Infantry Corps, 37 Sacre Cœur, St. Joseph D'Alma, Lake St. John Co., Que.

D105811 Private J. Grigas, Canadian Infantry Corps, 3 Clapp Street, Worcester, Mass., U.S.A.

M37034 Private (A/Cpl.) D. Hadden, Canadian Infantry Corps, Vancouver, B.C.

F40151 Private T. K. Martell, Canadian Infantry Corps, Stellarton, N.S.

D51078 Sergeant (A/CSM) L. R. Drapeau, Canadian Infantry Corps, 1867 Wolfe Street, Montreal, Que.

C6078 Sergeant W. J. R. McKnight, Canadian Infantry Corps, Bowmanville, Ont.

M17017 Corporal (A/Sgt.) A. G. Cheshire, Canadian Infantry Corps, Ashmont, Alta.

M57061 Private J. Low, Canadian Infantry Corps, Rochfort Bridge, Alta.

M16370 Sergeant (A/W.O.2) (CSM) W. L. Bober, Canadian Infantry Corps, Derwent, Alta.

M16475 Sergeant R. B. Whiteside, Canadian Infantry Corps, Red Deer, Alta.

The Military Medal

F91544 Sapper F. P. Hutchinson, The Corps of Royal Canadian Engineers, 24 Wentworth Street, Dartmouth, N.S.

B36765 W.O.2 (CSM) W. J. Dean, Canadian Infantry Corps, Hamilton, Ont.

D62050 Sergeant P. Dubuc, Canadian Infantry Corps, Montreal, Que.

D61690 Sergeant W. Gagne, Canadian Infantry Corps, Montreal North, Que.

D24017 Sergeant D. L. Hart, The Royal Canadian Corps of Signals, 4849 Hutchison St., Montreal, Que.

A21508 Sergeant W. E. Hussey, Canadian Infantry Corps, Riverside, Ont.

B66530 Sergeant E. J. Legate, Canadian Infantry Corps, 81 Bowmore Rd., Toronto, Ont.

D81178 Sergeant J. W. Marsh, Canadian Infantry Corps, 61 Hillcrest Ave., Montreal West, Que.

L13028 Sergeant A. E. Mundy, Canadian Infantry Corps, Critchley, Alta.

B67288 Sergeant E. Thirgood, Canadian Infantry Corps, 18 Simpson Ave., Toronto, Ont.

B25107 Sergeant E. K. Skippon, The Corps of Royal Canadian Engineers, 808 Dovercourt Rd., Toronto, Ont.

A21209 L/Sergeant F. L. Dixon, Canadian Infantry Corps, Sackville, N.B.

D62051 Corporal R. Berube, Canadian Infantry Corps, Laval-des-Rapides, Que.

A22273 Corporal R. Carle, Canadian Infantry Corps, 14921 Liberal Ave., Detroit, Mich., U.S.A.

D61201 Corporal A. Daoust, Canadian Infantry Corps, 1956 Cartier St., Montreal, Que.

D61738 Corporal W. H. Gibson, Canadian Infantry Corps, 8001 Querbes St., Montreal, Que.

L12057 Corporal J. A. Gregory, Canadian Infantry Corps, De Waal Apts., 4th St. N.E., Calgary, Alta.

H19663 Corporal A. Keller, Canadian Infantry Corps, 573 Machray Ave., Winnipeg, Man.

B67821 Corporal F. H. Ruggles, Canadian Infantry Corps, 56 Scollard St., Toronto, Ont.

A18149 Lance Corporal J. Fisher, The Corps of Royal Canadian Engineers, Sarnia, Ont.

B31110 Lance-Corporal S. E. Gilbert, The Royal Canadian Corps of Signals, 9 Glen Gordon Road, Toronto, Ontario.

M27006 Lance-Corporal C. W. J. Helmer, Canadian Armoured Corps, Nordegg, Alta.

B37345 Lance-Corporal G. A. McDermott, Canadian Infantry Corps, 95 Dundurn Street, Hamilton, Ontario.

H19957 Lance-Corporal G. T. Nugent, Canadian Infantry Corps, 549 Arlington Street, Winnipeg, Man.

A21137 Private R. A. M. Baker, Canadian Infantry Corps, 372 London Street, Windsor, Ontario.

A27100 Private T. P. Bibby, The Royal Canadian Army Medical Corps, 623½ Dundas Street, London, Ontario.

B76747 Private A. S. Chisholm, Canadian Infantry Corps, 183 Close Avenue, Toronto, Ontario.

A22673 Private L. D. DeLaurier, Canadian Infantry Corps, 69 Elliott Street, Leamington, Ontario.

B67491 Private W. Duggan, Canadian Infantry Corps, Newtonbrook, Ontario.

B38017 Private C. H. Dyke, Canadian Infantry Corps, 91 Adelaide Street, Port Colborne, Ontario.

L12515 Private O. O. Fenner, Canadian Infantry Corps, Yoemans, Sask.

D61056 Private L. Filiault, Canadian Infantry Corps, 7129 St. Dominique Street, Montreal, P.Q.

H20326 Private J. J. Hunter, Canadian Infantry Corps, Neepawa, Man.

H19755 Private A. Huppe, Canadian Infantry Corps, Lenore, Man.

D61828 Private F. Labrecque, Canadian Infantry Corps, 1787 St. Timothee, Montreal, P.Q.

[Mr. Ralston.]

A21531 Private G. E. Marchant, Canadian Infantry Corps, 333 Askin Blvd., Windsor, Ontario.

L12532 Private W. C. McKellar, Canadian Infantry Corps, Kisbey, Sask.

B66868 Private W. G. McLennan, Canadian Infantry Corps, 190 Colin Avenue, Toronto, Ontario.

B36849 Private T. McQuade, Canadian Infantry Corps, 79 Grosvenor Road, Chadwell Heath, Essex, Eng.

B76199 Private L. A. Middleton, Canadian Infantry Corps, 127 Lansdowne Avenue, Toronto, Ontario.

A22551 Private J. H. Mizon, Canadian Infantry Corps, 1049 Hickory Road, Windsor, Ont.

B67330 Private J. Murphy, Canadian Infantry Corps, 155 Coxwell, Ave., Toronto, Ont.

A2283 Signalman W. J. Ray, The Royal Canadian Corps of Signals, 772 King St. W., Kitchener, Ont.

K25599 Gunner H. J. Rowe, The Royal Canadian Artillery, 1420 Camosun St., Victoria, B.C.

L12090 Private L. R. Thrussell, Canadian Infantry Corps, Canora, Sask.

B37091 Private W. Vergette, Canadian Infantry Corps, Port Colborne, Ont.

D61182 W.O. 3 (PSM) L. A. Dumais, Canadian Infantry Corps, 974 Roy St. E., Montreal, Que.

D61265 Private G. Joly, Canadian Infantry Corps, 4331A Des Erables St., Montreal, Que.

D62077 Private C. Lafleur, Canadian Infantry Corps, R.R. No. 3, Mansonville, Que.

D61748 Private R. Vanier, Canadian Infantry Corps, St. Antoine de Padoue, Abitibi, Que.

A19407 Sergeant G. A. Hickson, D.C.M., The Corps of Royal Canadian Engineers, 3 Herlen Ave., Kitchener, Ont.

D71213 Sergeant J. A. Allen, Canadian Armoured Corps, 2090 Claremont Ave., Montreal, Que.

F91715 Sergeant W. J. Brooks, The Corps of Royal Canadian Engineers, 3 Dale St., Amherst, N.S.

D16059 Sergeant H. P. Chartres, The Corps of Royal Canadian Engineers, 532-1st Ave., Verdun, Que.

G4030 Sergeant J. Towe, The Royal Canadian Artillery, Woodstock, N.B.

D106004 A/Sergeant R. Beauregard, Canadian Infantry Corps, Maniwaki, Que.

B73210 A/Sergeant C. B. Fraser, Canadian Infantry Corps, Toronto, Ont.

D16076 A/Sergeant R. R. McPhee, The Corps of Royal Canadian Engineers, 132 Beaudoin St. St. Henri, Montreal, Que.

M15665 Corporal R. W. Ellenwood, Canadian Infantry Corps, Red Deer, Alta.

G19036 Corporal T. J. Pelletier, Canadian Infantry Corps, R.R. 6, Grand Falls, N.B.

G4164 A/Bombardier R. A. Bennett, The Royal Canadian Artillery, Fredericton, N.B.

H16422 A/Corporal R. C. Middleton, Canadian Infantry Corps, 352 Edmonton St., Winnipeg, Man.

K52299 Lance-Corporal R. R. Story, Canadian Infantry Corps, Burnaby, New Westminster, B.C.

K53836 A/L/Corporal D. Meade, Canadian Infantry Corps, 2227 Alberta St., Vancouver, B.C.

E4828 A/L/Corporal G. E. Patenaude, Canadian Infantry Corps, Ponoka, Alta.

C5569 Private H. E. Brant, Canadian Infantry Corps, 211 Calemin St., Belleville, Ont.

B69794 Private F. J. T. Fortman, Canadian Infantry Corps, 37 Forbes Ave., Guelph, Ont.

A4502 Private J. W. Gardner, Canadian Infantry Corps, 264 Queen St., Stratford, Ont.

C4992 Private I. J. Gunter, Canadian Infantry Corps, Coe Hill, Ont.

C2027 Sapper L. A. Johnston, The Corps of Royal Canadian Engineers, 129 Spadina Ave., Ottawa, Ont.

M52518 Private J. G. McBride, Canadian Infantry Corps, Carlisle Corps, Carlisle, Sask.

H17188 Private W. Reilly, Canadian Infantry Corps, Neepawa, Man.

M16620 Private L. J. Tuppen, Canadian Infantry Corps, 44 Westbourne Rd., Hove, Sussex, England.

K76078 Private F. Webster, Canadian Infantry Corps, Lytton, B.C.

K62299 Private (A/Cpl) S. C. Butterick, Canadian Infantry Corps, Sidney, B.C.

L2197 Private (A/Cpl) M. J. Taje, Canadian Infantry Corps, Boyle, Alta.

K52631 Private (A/Cpl) F. W. Terry, Canadian Infantry Corps, 4695 McHardy St., Vancouver, B.C.

C3010 Signalman J. H. M. Dehler, The Royal Canadian Corps of Signals, Ottawa, Ont.

K65324 Private G. R. Gallagher, The Royal Canadian Army Medical Corps, 1136 Kieth Road, Vancouver, B.C.

F39750 Private J. W. King, Canadian Infantry Corps, Lunenburg, N.S.

L10187 Sergeant E. M. Evoy, The Royal Canadian Artillery, Carleton Place, Ont.

K53254 Private (A/Cpl) R. J. Donohue, Canadian Infantry Corps, 1738-1st Ave. W., Vancouver, B.C.

A3780 Private (A/Cpl.) F. R. Hawke, Canadian Infantry Corps, Dryden, Ont.

K98595 Private (A/Cpl) G. L. McParlon, Canadian Infantry Corps, Bralorne, B.C.

E5575 Private (A/Cpl) J. B. Montminy, Canadian Infantry Corps, Ste. Foy, Quebec, P.Q.

A3994 Private (A/Cpl) F. C. Mowers, Canadian Infantry Corps, R.R. No. 3, Blenheim, Ont.

G7280 L/Bombardier A. A. Mitton, The Royal Canadian Artillery, 74 Wilbur St., Moncton, N.B.

D16185 Sapper (A/L/Cpl) B. O'Reilly, The Corps of Royal Canadian Engineers, 791 Seigneur's St., Montreal, Que.

A3112 Private J. A. Bancroft, Canadian Infantry Corps., 13½ Wortley Road, London, Ont.

A3286 Private D. H. Blackman, Canadian Infantry Corps, North Battleford, Sask.

M16567 Private W. T. Davies, Canadian Infantry Corps, Glenevis, Alta.

G19397 Private E. W. Hathaway, Canadian Infantry Corps, Plaster Rock, Victoria Co., New Brunswick.

A3396 Private N. Kowalchuk, Canadian Infantry Corps, Teulon, Man.

G17506 Private L. LeBlanc, Canadian Infantry Corps, Upper Charlo, Restigouche Co., N.B.

A4049 Private L. F. Meister, Canadian Infantry Corps, Kentville, N.S.

M15538 Private S. L. Melton, Canadian Infantry Corps, 14415 Stoney Plain Road, Edmonton, Alta.

K53544 Private M. Rae, Canadian Infantry Corps, Port Coquitlam, B.C.

F40727 Private G. F. Spinney, Canadian Infantry Corps, Waterville, Kings Co., N.S.

C41332 Corporal R. C. Campbell, Canadian Armoured Corps, Clyde Forks, Ont.

H77966 Trooper J. W. Collins, Canadian Armoured Corps, 1555 Elgin Ave., Winnipeg, Man.

M27114 W.O. II (SSM) C. R. Halstead, Canadian Armoured Corps, Okotoks, Alta.

C4645 W.O. II (CSM) C. N. Yearwood, Canadian Infantry Corps, Madoc, Ont.

C4538 Sergeant (A/WO II) (CSM) W. J. Nolan, Canadian Infantry Corps, Actinolite, Ont.

B60737 Sergeant R. G. Clarke, Canadian Armoured Corps, Norwood, Ont.

C65426 Sergeant G. Pemberton, Canadian Infantry Corps, 13 Julia St., Port Hope, Ont.

F40074 Sergeant D. G. Tait, Canadian Infantry Corps, 12 Maple Ave., Amherst, N.S.

K52368 Sergeant F. D. Underhill, Canadian Armoured Corps, 3159 West 14th Ave., Vancouver, B.C.

C2191 L/Sergeant H. Sorfleet, The Corps of Royal Canadian Engineers, 11 Gordon St., Ottawa, Ont.

B90778 Corporal (A/Sgt) J. McDougall, The Royal Canadian Army Medical Corps, 625 Gerrard St. E., Toronto, Ont.

A19348 Corporal N. M. McQuade, The Corps of Royal Canadian Engineers, R.R. No. 5, Seaforth, Ont.

C5696 Corporal H. A. Maxwell, Canadian Infantry Corps, Gooderham, Ont.

K52839 Corporal R. M. Thomas, Canadian Infantry Corps, 37 E. 11th Ave., Vancouver, B.C.

K92163 L/Bombardier J. L. Reynolds, The Royal Canadian Artillery, Kamloops, B.C.

K7066 Gunner (L/Bdr) D. C. Roland, The Royal Canadian Artillery, Vancouver, B.C.

C326 L/Bombardier C. A. Rowe, The Royal Canadian Artillery, 68 Manderley Drive, Toronto, Ont.

F39934 Private (A/Cpl) A. J. Amero, Canadian Infantry Corps, Digby, N.S.

H35813 Private (A/Cpl) G. J. Barss, The Royal Canadian Army Medical Corps, 647 St. Mathews Ave., Winnipeg, Man.

B55710 Private (A/Cpl) K. C. Close, Canadian Infantry Corps, Morse, Sask.

A3882 Private (A/Cpl) M. M. Millard, Canadian Infantry Corps, R.R. 1, Port Burwell, Ont.

M11226 Private (A/Cpl) J. G. Milnes, Canadian Infantry Corps, Bellevue, Alta.

M26832 Private (A/Cpl) T. J. Price, Canadian Armoured Corps, Bellevue, Alta.

K42641 Private (A/Cpl) D. R. MacDonald, Canadian Infantry Corps, Elkhorn, Man.

F54989 Private (A/Cpl) J. A. MacLeod, Canadian Infantry Corps, West Bay, Inverness, Cape Breton, N.S.

L34021 L/Corporal F. C. Butler, Canadian Provost Corps, Duff, Sask.

B61203 Trooper P. G. Thornhill, Canadian Armoured Corps, 326 Kingswood Road, Toronto, Ont.

F39944 Private R. E. Brown, Canadian Infantry Corps, Middle Beaver Bank, Halifax Co., N.S.

M45636 Private J. W. Magistad, Canadian Infantry Corps, Vermilion, Alta.

E14721 Private E. Mainville, The Royal Canadian Army Service Corps, Grande Vallee, Gaspe Co., Que.

E106622 Private L. Rehel, Canadian Infantry Corps, Barachois, Gaspe Co., Que.

M17133 Private W. L. Squires, Canadian Infantry Corps, Peace River, Alta.

Mentioned in Despatches

C19 Gunner G. R. Cooper, The Royal Canadian Artillery, 24 Clergy St. West, Kingston, Ontario.

Lt.-Col. K. A. Hunter, The Royal Canadian Army Medical Corps, 502 Waterloo St., London, Ontario.

Lt.-Col. G. L. M. Smith, The Royal Canadian Army Medical Corps, 33 Butternut Terrace, Ottawa, Ontario.

Major F. E. Bell, The Royal Canadian Ordnance Corps, 38 Langside Street, Winnipeg, Manitoba.

Major N. H. Ross, Canadian Infantry Corps, Biltmore Apartments, River Avenue, Winnipeg, Manitoba.

Major R. Thompson, Canadian Infantry Corps, 291 Eugenie Street, Winnipeg, Manitoba.

Major F. S. Wilkinson, Canadian Infantry Corps, 29 Spruceside Avenue, Hamilton, Ontario.

Major J. A. Willis, Canadian Infantry Corps, 709 Victoria Avenue, Windsor, Ontario.

Capt. B. Brachman, The Royal Canadian Army Medical Corps, Nesbitt Apartments, Regina, Sask.

Capt. R. M. Campbell, Canadian Infantry Corps, Locarno Apartments, Winnipeg, Manitoba.

Capt. J. A. Catto, Canadian Infantry Corps, 21 Roxborough St. E., Toronto, Ontario.

Capt. W. H. Finch, The Royal Canadian Corps of Signals, 629 Johnston Street, Kingston, Ontario.

Capt. O. M. Hertzberg, Canadian Infantry Corps, 29 Bernard Avenue, Toronto, Ontario.

Capt. A. L. MacLaurin, Canadian Infantry Corps, Montreal, P.Q.

H/Capt. J. A. Sabourin, Canadian Chaplain Services, 1057 Berri Street, Montreal, P.Q.

Capt. D. B. de C. Warner, The Royal Canadian Corps of Signals, Ottawa, Ontario.

Lieut. G. B. Buchanan, Canadian Infantry Corps, Medicine Hat, Alberta.

Lieut. W. Dick, Canadian Infantry Corps, 1526 Mount Pleasant Rd., Toronto, Ontario.

Lieut. L. L. Dickin, Canadian Infantry Corps, 303 Fifth Avenue N. Saskatoon, Sask.

Lieut. J. B. Hallady, Canadian Infantry Corps, Hamilton, Ontario.

Lieut. L. R. McIlveen, Canadian Infantry Corps, Gull Lake, Sask.

Lieut. A. J. Morrall, The Royal Canadian Corps of Signals, 261 Ashdale Avenue, Toronto, Ontario.

Lieut. J. C. Palms, Canadian Infantry Corps, Elizabeth & Woodward Ave., Detroit, Michigan, U.S.A.

Lieut. G. Stiles, Canadian Infantry Corps, 411 East 48th Avenue., Vancouver, B.C.

H19005 R.S.M. J. W. Dumma, Canadian Infantry Corps, 418 Cairnsmore Street, Winnipeg, Manitoba.

H19324 C.S.M. C. McLellan, Canadian Infantry Corps, Winnipeg, Manitoba.

B76086 A/C.S.M. W. F. A. Robinson, Canadian Infantry Corps, Meaford, Ontario.

B36801 S/Sergeant D. A. Shenstone, Canadian Infantry Corps, 212 Hess St. North, Hamilton, Ontario.

A21881 Sergeant J. B. Campbell, Canadian Infantry Corps, 63 Setterington Street, Leamington, Ontario.

B67269 Sergeant J. M. Carroll, Canadian Infantry Corps, 214 Queen St. South, Kitchener, Ontario.

L12064 Sergeant L. P. Coderre, Canadian Infantry Corps, Coderre, Sask.

[Mr. Ralston.]

M15968 Sergeant R. Hawkins, Canadian Infantry Corps, Waterways, Alberta.

M11342 Sergeant W. L. Lyster, Canadian Infantry Corps, Empress, Alberta.

M10762 Sergeant B. Pittaway, Canadian Infantry Corps, Waterton Park, Alta.

L12016 Sergeant B. H. Smith, Canadian Infantry Corps, Halibrite, Sask.

B36722 Sergeant S. H. Whitaker, Canadian Infantry Corps, Barriefield Village, Ont.

B37232 Corporal E. D. Boles, Canadian Infantry Corps, 708 Manning Avenue, Toronto, Ontario.

D61461 Corporal A. Brisebois, Canadian Infantry Corps, 2324 Chapleau Street, Montreal, Quebec.

A21624 Corporal J. Donaldson, Canadian Infantry Corps, Detroit, Mich., U.S.A.

A21243 Corporal R. M. Jones, Canadian Infantry Corps, 1588 Central Avenue, Windsor, Ontario.

A3175 Corporal E. N. Mellott, Canadian Infantry Corps, Comber, Ontario.

D82389 Corporal M. E. Morgan, Canadian Infantry Corps, Fredericton, N.B.

D61252 Corporal A. Nesbitt, Canadian Infantry Corps, 116 St. Norbert Street, Montreal, P.Q.

B31077 Corporal M. H. G. Reekie, The Royal Canadian Corps of Signals, 98 Dixon Avenue, Toronto, Ontario.

B37133 Corporal G. A. Stewart, Canadian Infantry Corps, 163 Robinson St., Hamilton, Ontario.

B37278 Corporal F. R. Young, Canadian Infantry Corps, Oshawa, Ontario.

B66858 L/Corporal L. G. Green, Canadian Infantry Corps, 466 Tweedsmuir Ave., Westboro, Ontario.

P40293 L/Corporal A. R. Kryzanowski, Royal Canadian Corps of Signals, Kingston, Ontario.

B36674 L/Corporal B. V. Lisson, Canadian Infantry Corps, 78 Tuxedo Ave. N., Hamilton, Ontario.

A20374 L/Corporal F. G. Tallent, The Corps of Royal Canadian Engineers, Alice Street, Essex, Ontario.

L12502 L/Corporal C. Ward, Canadian Infantry Corps, Gainsborough, Sask.

H19999 Private K. A. Baran, Canadian Infantry Corps, 477 Kavanagh Ave., St. Boniface, Man.

D82480 Private J. Barclay, Canadian Infantry Corps, 674 Argyle Ave., Verdun, Quebec.

B36951 Private G. W. A. Booker, Canadian Infantry Corps, 90 Haddon Ave. S., Hamilton, Ontario.

A23000 Private G. D. Brown, Canadian Infantry Corps, Oak St. East, Leamington, Ont.

A21634 Private S. Carley, Canadian Infantry Corps, Windsor, Ontario.

H19098 Private W. Carson, Canadian Infantry Corps, St. James, Manitoba.

A21156 Private E. R. Cousineau, Canadian Infantry Corps, 129 McDougall St., Windsor, Ontario.

A21122 Private J. E. Crockett, Canadian Infantry Corps, 789 Elliott St. E., Windsor, Ontario.

D61866 Private N. Daudelin, Canadian Infantry Corps, 12 Rue Du Depot, Farnham, Quebec.

L12634 Private G. Davies, Canadian Infantry Corps, Coronach, Sask.

D61432 Private J. Dufresne, Canadian Infantry Corps, 2078 Harbour Street, Montreal, Quebec.

H33086 Private C. G. Erickson, Canadian Infantry Corps, Winnipeg, Manitoba.

A22278 Private R. W. Ferrari, Canadian Infantry Corps, 852 St. Lukes Road, Windsor, Ontario.

H19411 Private R. L. Flett, Canadian Infantry Corps, 527 Lipton Street, Winnipeg, Manitoba.

L12202 Private F. P. Forness, Canadian Infantry Corps, Assiniboia, Sask.

B83370 Private S. Germain, Canadian Infantry Corps, 198 Worthington St. W., North Bay, Ont.

D61966 Private F. Goyer, Canadian Infantry Corps, 7245 Nancy St., Cote-des-Neiges, Montreal, P.Q.

B76437 Private J. Hackett, Canadian Infantry Corps, 6 Norvale Avenue, Toronto, Ont.

L13269 Private R. R. Harcus, Canadian Infantry Corps, Garrick, Sask.

H19769 Private E. Hebert, Canadian Infantry Corps, St. Pierre, Man.

H20083 Private H. G. L. Hutton, Canadian Infantry Corps, Minnedosa, Man.

B67766 Private R. G. Jones, Canadian Infantry Corps, 439 Ossington Avenue, Toronto, Ont.

F26378 Signalman L. W. Lacusta, The Royal Canadian Corps of Signals, 52 Henry Street, Halifax, N.S.

D62964 Private G. Languirand, Canadian Infantry Corps, 616 Jarry Street, Montreal, Que.

A35020 Sapper L. W. Laur, The Corps of Royal Canadian Engineers, London, Ont.

A19161 Sapper L. L. Lauzon, The Corps of Royal Canadian Engineers, 162 Queen Street East, Toronto, Ont.

B75970 Private H. A. Lyons, Canadian Infantry Corps, 142 Rhodes Avenue, Toronto, Ont.

H19337 Sapper S. J. MacLeod, The Corps of Royal Canadian Engineers, Winnipeg, Man.

B37783 Private A. C. Mullin, Canadian Infantry Corps, Lower Kings Highway, Newcastle, N.B.

B32973 Signalman W. J. Ness, Canadian Infantry Corps, 92 Lawlor Avenue, Toronto, Ont.

D61936 Private J. Noel, Canadian Infantry Corps, 416 Cherrier Street, Montreal, Que.

L12408 Private H. A. O'Hare, Canadian Infantry Corps, Swift Current, Sask.

H20266 Private E. Ovens, Canadian Infantry Corps, 446 Agnes Street, Winnipeg, Man.

B37662 Private R. Pettifer, Canadian Infantry Corps, R.R. 3, Welland, Ont.

B25252 Sapper W. Price, The Corps of Royal Canadian Engineers, Sussex, N.B.

H19946 Private S. E. Ryne, Canadian Infantry Corps, 809-6th N.W., Moose Jaw, Sask.

B67814 Private H. M. Seaton, Canadian Infantry Corps, 2152 Cadham Street, Niagara Falls, Ont.

B36529 Private J. H. Shuart, Canadian Infantry Corps, 116 Market Street, Hamilton, Ont.

B75891 Private A. M. Sinclair, Canadian Infantry Corps, 80 Chudleigh Avenue, Toronto, Ont.

A20214 Sapper S. B. Thompson, The Corps of Royal Canadian Engineers, New Rochelle, New York, U.S.A.

B67834 Private H. E. Wright, Canadian Infantry Corps, Gilford, Ont.

Major P. R. Savoy, Canadian Infantry Corps, 1501 Chomedy Street, Montreal, P.Q.

D61181 Private G. Cloutier, Canadian Infantry Corps, 4555 Marquette St., Montreal, P.Q.

Capt. G. D. Skerrett, Canadian Infantry Corps, 373 Queen Street S., Hamilton, Ont.

Lieut. J. W. Sharp, Canadian Infantry Corps, 1321 Sherbrooke St. W., Montreal, P.Q.

D36139 Sergeant T. Olsen, Canadian Armoured Corps, 7 Honore Street, La Tuque, P.Q.

Major (A/Lt.-Col.) C. B. Ware, Canadian Infantry Corps, 66 Forest Hill Road, Toronto, Ont.

B13102 Sergeant R. Hillcoat, The Royal Canadian Artillery, 405 Dundas Street, Galt, Ont.

G37029 Bombardier R. M. Ritchie, The Royal Canadian Artillery, Lewisville, N.B.

United States Operational Gallantry Awards

Distinguished Service Cross

Lieutenant F. B. Atto, Canadian Infantry Corps, 274 Trenton Avenue, Montreal, P.Q.

Silver Star

Lieutenant J. D. Mitchell, Canadian Infantry Corps, Dartmouth, N.S.

H205057 S/Sergeant L. H. Rudolph, Canadian Infantry Corps, 99 Cobourg Avenue, Winnipeg, Man.

D158509 Sergeant C. Gagnon, Canadian Infantry Corps, 2115 Rosemont Blvd., Montreal, P.Q.

M31330 Sergeant J. A. Parfett, Canadian Infantry Corps, Bruce, Alberta.

M102270 Sergeant R. A. Stirling, Canadian Infantry Corps, Fertile, Saskatchewan.

D109795 Private R. B. Aitken, Canadian Infantry Corps, 1205 Crescent Street, Montreal, P.Q.

M11122 S/Sergeant W. E. Brotherton Canadian Infantry Corps, 178-8th Street, N.E., Medicine Hat, Alta.

G60658 Sergeant J. E. Keleher, Canadian Infantry Corps, 15 Lowel Street, Saint John, N.B.

Foreign Gallantry Awards

Croix de Guerre avec Etoile de Bronze

Major A. J. MacLaurin, Canadian Infantry Corps, Montreal, P.Q.

Major C. R. Ostrander, The Canadian Artillery, Ostrander, Ontario.

B67269 Sergeant J. M. Carroll, Canadian Infantry Corps, 214 Queen St. South, Kitchener, Ontario.

Croix de Guerre avec Etoile de Vermeil

A22062 Sergeant L. E. Scobie, Canadian Infantry Corps, 145 Ferris Avenue, Highland Park, Michigan, U.S.A.

L12502 A/L/Sergeant C. Ward, Canadian Infantry Corps, Gainsborough, Sask.

Croix de Guerre avec Etoile d'argent

D61461 Sergeant A. Brisebois, Canadian Infantry Corps, 2324 Chapleau Street, Montreal, P.Q.

L13393 Private G. P. Buchanan, Canadian Infantry Corps, 705-7th St. East, Prince Albert, Sask.

A21634 Private S. Carley, Canadian Infantry Corps, Windsor, Ontario.

B67814 Private H. M. Seaton, Canadian Infantry Corps, 2152 Cadham Street, Niagara Falls, Ont.

D61936 Private J. Noel, Canadian Infantry Corps, 416 Cherrier Street, Montreal, P.Q.

Croix de Guerre avec Palme de Bronze

Lt.-Col. J. D. MacBeth, The Royal Canadian Corps of Signals, Ottawa, Ontario.

Capt. G. B. Buchanan, Canadian Infantry Corps, Medicine Hat, Alta.

Capt. (a/Major) R. M. Campbell, Canadian Infantry Corps, Locarno Apts., Winnipeg, Manitoba.

Capt. O. M. Hertzberg, Canadian Infantry Corps, 29 Bernard Avenue, Toronto, Ontario.

B67045 Sergeant A. J. Suchard, Canadian Infantry Corps, R.R. No. 6, St. Mary's, Ontario.

Major F. St. C. Wilkinson, Canadian Infantry Corps, 29 Spruceside, Hamilton, Ontario.

Croix de Guerre avec Palme de Vermeil

Lt.-Col. G. S. N. Gostling, Canadian Infantry Corps, 161 Vaughan Street, Winnipeg, Manitoba.

Capt. T. R. McCoy, Canadian Infantry Corps, 11 Hilda Avenue, Hamilton, Ontario.

B76852 Private C. J. Hyland, Canadian Infantry Corps, 66 Ossington Avenue, Toronto, Ontario.

APPENDIX "B"

Non-Operational Gallantry Awards

George Cross (G.C.)
George Medal (G.M.)
Member of the Order of the British Empire (M.B.E.)
British Empire Medal (B.E.M.)
Commendations

Non-Operational Gallantry Awards

The George Cross (G.C.)

Rank and Name—Corps—Address

Lieut. J. M. S. Patton, The Corps of Royal Canadian Engineers, 241 Queen Street, Kingston, Ontario.

B28593 Corporal J. Hendry, The Corps of Royal Canadian Engineers, Little Long Lac, Ontario.

The George Medal (G.M.)

Capt. D. W. Cunnington, The Corps of Royal Canadian Engineers, Calgary, Alberta.

C1014 Gunner J. Chambers, The Royal Canadian Artillery, 271 Brock Street, Kingston, Ontario.

Capt. (a/Major) D. C. Heggie, The Royal Canadian Army Medical Corps, 73 Main St. South, Brampton, Ontario.

Lieut. E. T. Galway, The Corps of Royal Canadian Engineers, 324 Glen Road, Toronto, Ontario.

Major D. S. Harkness, The Royal Canadian Artillery, 722 Riverdale Ave., Calgary, Alberta.

[Mr. Ralston.]

Member of the Order of the British Empire (M.B.E.)

Major D. J. McDougall, Canadian Armoured Corps, 1312-3rd St. N.E., Calgary, Alta.

Lieutenant J. R. Dickinson, The Royal Canadian Artillery, 661 Hochelaga St. W., Moose Jaw, Sask.

Captain C. F. Egan, The Royal Canadian Army Medical Corps, 450 Johnson St., Kingston, Ont.

Lieutenant T. L. Alexander, Canadian Infantry Corps, 400 Glenayr Road, Toronto, Ont.

Lieutenant G. G. Charron, Canadian Infantry Corps, St. Vincent de Paul, Quebec.

Lieutenant M. Masse, Canadian Infantry Corps, 753 Archambault, Joliette, P.Q.

Lieutenant L. C. Thornton-Prehn, General List, Ottawa, Ont.

Captain W. G. Wells, Canadian Infantry Corps, Chicoutimi, Chicoutimi Co., Quebec.

B94203 Armt. Q.M.S. D. S. Milne, The Royal Canadian Ordnance Corps, 2794A Dundas St. W., Toronto, Ont.

British Empire Medal (B.E.M.)

P15367, Sergeant A. Condy, Canadian Infantry Corps, 7 Pavillion Bks., Halifax, N.S.

B73357, Lance-Corporal A. E. Groves, Canadian Armoured Corps, George St., Orillia, Ont.

U1514, Staff Sergeant G. L. Ayre, Canadian Provost Corps, 432 Glasgow St., Winnipeg, Man.

C11538, Staff Sergeant J. F. Samson, The Royal Canadian Army Service Corps, 576 Bronson Ave., Ottawa, Ont.

L9072, Armt. S/Sgt. W. N. Tripp, The Royal Canadian Ordnance Corps, Yorkton, Sask.

B6316, W.O. 2 (BSM) T. W. Brand, The Royal Canadian Artillery, 22 Gates Ave., Toronto, Ont.

A21537, Corporal (A/Sgt) J. T. Coughlin, Canadian Infantry Corps, 436 Logan St., Windsor, Ont.

C53319, Sergeant A. T. Dainton, Canadian Infantry Corps, 864 Water St., Peterborough, Ont.

D56267, Sergeant A. Doucette, Canadian Infantry Corps, 6439 St. Andre St., Montreal, Que.

L9050, Sergeant R. R. Graham, The Royal Canadian Ordnance Corps, Regina, Sask.

B3041, Sergeant R. Hole, The Corps of Royal Canadian Engineers, 6 Park Ave., Toronto, Ont.

C4588 Sergeant F. J. Turner, Canadian Infantry Corps, 73 Queens St., Kingston, Ont.

A56800, Private (A/Cpl) W. H. Fries, Canadian Infantry Corps, 104 Ontario St. N., Kitchener, Ont.

H40939, Private (A/Cpl) J. LeClair, Canadian Infantry Corps, 622 Selkirk Ave., Winnipeg, Man.

A3654, Corporal A. R. Randall, Canadian Provost Corps, 193 Glasgow St. N., Guelph, Ont.

K29272, Corporal J. P. Stallard, The Corps of Royal Canadian Engineers, 222 North Garden Drive, Vancouver, B.C.

F49875, Corporal F. E. Blakeney, Canadian Infantry Corps, 109 King St., Truro, N.S.

W2093, Lance-Corporal M. Entwistle, Canadian Women's Army Corps, 369 Ferguson Ave. N., Hamilton, Ont.

M40843, Sergeant A. S. Findlater, The Royal Canadian Ordnance Corps, 727 - 12th Ave. W., Calgary, Alta.

D62564, Private A. Arteau, Canadian Infantary Corps, 1826 Iberville St., Montreal, Que.

A99247, Private A. J. Bender, The Royal Canadian Army Service Corps, 107 Nile St., Stratford, Ont.

A99308, Private R. A. Carey, The Royal Canadian Army Medical Corps, 648 O'Connor St., Ottawa, Ont.

C51521, Private C. C. Chambers, The Royal Canadian Army Medical Corps, Rockland East, Ont.

F91408, Sapper F. A. Dougherty, The Corps of Royal Canadian Engineers, 2030 McGill College Ave., Montreal, Que.

F41595, Private O. S. Foster, Canadian Infantry Corps, Karsdale, Granville Ferry P.O., Annapolis Co., N.S.

B21144, Gunner T. Gardner, The Royal Canadian Artillery, 1 Homewood Ave., Toronto, Ont.

B72834, Private J. R. Garvie, Canadian Infantry Corps, 43 Glenmore Road, Toronto, Ont.

B73494, Private J. M. Gibb, Canadian Infantry Corps, Kilworthy, Muskoka Co., Ont.

H26731, Trooper A. J. Lalonde, Canadian Armoured Corps, 412 McGee St., Winnipeg, Man.

B66966, Private G. P. Legros, Canadian Infantry Corps, 121 Woodlawn Ave. W., Toronto, Ont.

H16558, Private C. A. W. Lowen, Canadian Infantry Corps, 40 Tecumseh St., Toronto, Ont.

A29464, Private T. F. Mitchell, The Royal Canadian Ordnance Corps, 953 Queens Ave., London, Ont.

E5090, Private L. Roy, Canadian Infantry Corps, Petit Rocher Nord, N.B.

M24217, Private D. C. Smith, The Royal Canadian Army Medical Corps, Cardston, Alta.

K73977, Private H. Tarasenko, The Royal Canadian Army Service Corps, Steinbach, Man.

D3229, Trooper R. D. B. Wright, Canadian Armoured Corps, 2127 Dubois St., Ville Emard, Que.

C2358, Sapper J. Lorrain, The Corps of Royal Canadian Engineers, 834 Gladstone Ave., Ottawa, Ont.

G16510, Sergeant R. A. Craft, The Royal Canadian Corps of Signals, 185 Carmarthen St., Saint John, N.B.

M42643, Sergeant J. W. Gillespie, No. 13 Voc. Trg. School, 828-3rd Ave. W., Calgary, Alta.

D56918 Sergeant T. Labonte, Canadian Infantry Corps, Plaisance, Papineau Co., Que.

E4421 Sergeant E. Peloquin, Canadian Infantry Corps, Ste. Victoire, Co. Richelieu, Que.

M16150 Corporal (A/Sgt.) G. D. Hamel, Canadian Infantry Corps, 920 Drake St., Vancouver, B.C.

D125307 Corporal U. Belisle, Canadian Provost Corps, Coteau Rouge, Longueuil, Que.

D116516 Lance-Corporal J. F. Laliberte, Canadian Infantry Corps, 44 Roland St., Ville St. Pierre, Que.

G3665 Gunner (A/Cpl.) W. F. Byrne, The Royal Canadian Artillery, 42 St. George St., Moncton, N.B.

F40718 Private B. E. Avery, Canadian Infantry Corps, Berwick, Kings Co., N.S.

M7272 Sapper C. A. Cavil, The Corps of Royal Canadian Engineers, 11936-81st St., Edmonton, Alta.

B76914 Gunner A. R. Fielding, The Royal Canadian Artillery, 21 Bartlett Ave., Toronto, Ont.

W10710 Private E. M. Kerridge, Canadian Women's Army Corps, Morden, Man.

B5333 Private W. C. McGowan, Canadian Dental Corps, 56 Ritchie Ave., Toronto, Ont.

G19317 Private A. Muzerolle, Canadian Infantry Corps, Eel River Bridge, Northumberland Co., N.B.

M20951 Private W. R. Owens, The Royal Canadian Army Service Corps, 130-15th Ave. E., Calgary, Alta.

F44828 Private F. Smith, Canadian Infantry Corps, Alma, Pictou Co., N.S.

K600662 Private M. D. Summers, The Royal Canadian Army Service Corps, 1741W 3rd Ave., Vancouver, B.C.

D615141 Sergeant J. Iannuccilli, Canadian Infantry Corps, 7050 Alexandra St., Montreal, Que.

A88 Sergeant R. G. Lilley, Canadian Armoured Corps, 8573 Boyce St., Montreal, Que.

E620643 Sergeant J. B. Paquet, Canadian Infantry Corps, St. Octave de L'Avenir, Co. Gaspe, Que.

D3197 Sergeant W. G. Travers, Canadian Armoured Corps, 3161 Wellington St., Verdun, Que.

K70844 Lance-Corporal H. H. Edwards, Canadian Provost Corps, 3779 W. 8th Ave., Vancouver, B.C.

E620005 Private B. Bernard, Canadian Infantry Corps, St. Alphonse de Caplan, Bonaventure Co., Que.

B70052 Trooper R. A. Johnston, Canadian Armoured Corps, Burketown, Ont.

H100574 Gunner J. Kustra, The Royal Canadian Artillery, Dauphin, Man.

D3204 Trooper C. F. Philp, Canadian Armoured Corps, 202 Devonshire Road, Greenfield Park, Que.

B60844 Trooper C. E. Smith, Canadian Armoured Corps, Englehart, Ont.

B32457 Signalman W. L. Earle, The Royal Canadian Corps of Signals, 736 St. Clair Ave. W., Toronto, Ont.

B113114 Signalman D. G. Keith, The Royal Canadian Corps of Signals, Wilkie, Sask.

D24131 Signalman D. Smith, The Royal Canadian Corps of Signals, 5718 Charlemagne, Montreal, Que.

Commendations

D105511 Private D. Cumming, The Royal Canadian Army Medical Corps, 5355 Lasalle Blvd., Verdun, Que.

Lieut. L. O. R. Tucker, Canadian Infantry Corps, Genrose, Capilano Co., B.C.

P/2/Lieut. F. K. Trites, Canadian Infantry Corps, 2426 W. 2nd Ave., Vancouver, B.C.

P/2/Lieut. V. H. Zala, Canadian Infantry Corps, 941 McDonald St., Duncan, Victoria Isl., B.C.

K71360 Corporal J. Carlson, The Royal Canadian Army Medical Corps, Bellevue, Alta.

Mr. GORDON GRAYDON (Leader of the Opposition): Following the tabling of the names of those who have been decorated for gallantry I should like to compliment the minister for his references to the two gallant gentlemen, Lieutenant Colonel Merritt and Captain Triquet, who by their heroism have shown that Canada is playing a part in this

global war which excites the enthusiasm of us all and merits our undying gratitude. Last session I suggested to the Prime Minister that these awards should be mentioned in the house from time to time, and I want to thank the government for having done so.

I rose particularly to make a personal reference in connection with this matter, for which I hope I may be pardoned. Before war broke out a young man, William Manley, went from my own town of Brampton and became a private in the British army. In the early battles in Libya, in 1941, he died at his post after displaying such gallantry that he was posthumously awarded the Victoria Cross. I think he was the first man from Canada to win this highest of all decorations, though at the time he was not a member of the Canadian army. We are very proud of this young man, and I thought that pride should be shared by this parliament and this nation.

RETURN TABLED

SOLDIER SETTLERS—QUIT CLAIMS AND REPOSSESSION

Hon. T. A. CRERAR (Minister of Mines and Resources): I wish to table return No. 435, moved for by the hon. member for Battle River (Mr. Fair), in respect to soldier settlers who signed quit claim deeds or who were served with repossession notices, and so on, asking the dates of the original purchase in each case, and similar questions. For the information of my hon. friend, and by way of apology and perhaps explanation, I want to say that this motion first appeared on the order paper last June in the form of a question. On July 1, 1943, it was passed as an order for return, so that considerable time has elapsed since the order was passed. I may say, by way of apology to my hon. friend for the delay, that the return did involve a considerable amount of work. I asked the treasury official in the department to give me a summary of the time spent in preparing the reply, and the value of the time so required. I find that two senior members of the accounting staff, Mr. Woolsey and Mr. Little, were employed for two months, on an average salary of $230 per month. Then, four of the clerical staff were employed for two months in assembling detail, and their average salary was $125 a month. In addition, three typists were employed for a week in typing and checking the final return, and for that time their salaries aggregated $60. In addition to these I find that one senior clerk was employed for one month reviewing files and records of acreage development over an average of twenty-three years, and also looking up values at dates of rescission. This service cost $200. I give this information to my hon. friend in explanation of the delay. The full value of time employed in preparing the answer to the return was $2,180.

Mr. ROBERT FAIR (Battle River): I thank the minister for bringing down this information. I had a specific reason for getting it. I believe if the minister would compare some of the hardships endured by those settlers about whom I have inquired he would agree the amount he has mentioned is infinitesimal indeed. I thank him however for bringing down the return.

FORM OF QUESTIONS AND MOTIONS FOR PAPERS—TIME AND COST INVOLVED

Mr. MACKENZIE KING: Mr. Speaker, this might be an opportune time to draw the attention of hon. members to the amount of investigation required in the departments in answering some of the questions and bringing down some of the returns.

As hon. members will have heard, the return just tabled has cost the country $2,180. I doubt very much if that particular expenditure will be approved by the country. Many orders are passed calling for more information than should be asked from the administration, and this particularly at a time when war expenditures are very heavy. In addition there is the time members of the public service require to get information of the kind asked. I believe it is only right to suggest to hon. members that in asking questions, and particularly in respect of motions for orders for returns, they consider the most compact or concise form in which these questions and motions might best be put.

Mr. GRAYDON: I agree with the Prime Minister that there is no special reason why either individual departments or the government should be subjected to an undue amount of work, or, in particular, be put to undue expense, in preparing answers to returns and questions. But I believe the Prime Minister will be the first to agree that the value of answers to questions and of returns to orders of the house cannot be measured fully from the point of view of the work involved, or from that of dollars and cents. Often these questions and returns are founded on a principle which, in the days that lie ahead, will save large amounts of money, because the information brought down brings to the attention of the government and the house the urgent need for reforms. I believe we must judge each question upon its merits, rather than accept a broad or general statement

covering all returns and questions in respect of different matters which might be the subject of inquiry.

Mr. FAIR: I am not sure whether I am expected to make an apology for the expense, but if that is the case I have no intention of doing so—I believe the soldier settlers have been wronged and if the government will give them clear titles to their lands—

Some hon. MEMBERS: Order.

Mr. FAIR: —I shall ask nothing further in connection with this matter.

RADIO BROADCASTING

REGULATIONS RESPECTING BROADCASTING OF ADDRESSES BEFORE POLITICAL ORGANIZATIONS

Hon. L. R. LaFLECHE (Minister of National War Services): Mr. Speaker, I should like to answer a question put the other day by the hon. member for Rosetown-Biggar (Mr. Coldwell). He asked whether the regulations governing the broadcasting of addresses before political meetings and organizations over private radio stations had been changed. The last directives are to be found in the censorship directives handbook I laid on the table on January 28, 1944.

JUDGES ACT

SALARIES OF JUDGES IN OFFICE AFTER REACHING THE AGE OF SEVENTY YEARS

Mr. S. H. KNOWLES (Winnipeg North Centre) moved for leave to introduce Bill No. 9, to amend the Judges Act (salaries of judges).

Some hon. MEMBERS: Explain.

Mr. KNOWLES: Mr. Speaker, this bill would add a new subsection to section 28 of the Judges Act, which is chapter 105 of the revised statutes of Canada, 1927. The authority for legislation such as that proposed in this bill is to be found in section 100 of the British North America Act.

The purpose of the proposed addition is to provide that any judge of a superior court of any province or of the Yukon territory who continues or is continued in office after attaining the age of seventy shall have his salary reduced to an amount equal to that which he would receive by way of retiring allowance if he were retired at seventy, less any sum which he may receive from a provincial government by way of other remuneration. The new salary rate will commence when the judge attains the age of seventy years, or on the 1st day of September, 1944, whichever is the later date. In the case of a judge, appointed prior to the passing of this bill, who would not be entitled to a retiring allowance if he were to retire at the age of seventy, the operation of the act will be postponed until he is eligible for a retiring allowance.

This bill is similar to one which was passed by the House of Commons on the 10th of May, 1933, but which was rejected by the senate. Apart from the effective date, the bill is exactly the same as the one passed by this house in 1933, but for two differences. In the first place the former bill stipulated seventy-five as the age at which the provisions of that bill were to apply, whereas this bill stipulates the age of seventy. Secondly, the former bill made an exception in the case of judges not eligible for retiring allowance at the stipulated age, whether appointed before or after the passing of the bill. In this bill the same exception is provided, but only in the case of judges appointed prior to the passing of this bill.

This bill is in line with the points made in the house by the governments of the day, both in 1927 and in 1933, relating to the judiciary. I submit that it offers a reasonable way of effecting a desirable change, pending amendment of the British North America Act.

Motion agreed to and bill read the first time.

QUESTIONS

PRODUCTION OF GARMENTS FOR CIVILIAN USE

Mr. NICHOLSON:

1. What was the estimated production of children's garments for the year 1943, and how many of these garments had been delivered for sale in Canada by January 1, 1944?

2. What is the estimated annual production of men's overalls for civilian use during, (a) 1935 to 1939; (b) 1941; (c) 1942; (d) 1943, and how many of the overalls produced during 1943 were available in stores by January 1, 1944?

3. What was the estimated annual production of white flannelette during, (a) 1935 to 1939; (b) 1941; (c) 1942; (d) 1943, and how much of the flannelette produced in 1943 was available in stores by January 1, 1944?

4. What is the estimated quantity of towelling manufactured for civilian use during, (a) 1935 to 1939; (b) 1941; (c) 1942; (d) 1943, and how much of the towelling produced for civilian use in 1943 was available in stores by January 1, 1944?

Mr. ABBOTT:

1. The estimated production of children's garments for the year 1943 was 2,453,273 dozen; consisting of:—

	Dozen
Woven fabric garments for children up to 14 years	950,412
Woven fabric garments for infants	267,051
Knitted outer wear for children up to 14 years	343,636
Knitted outerwear for infants	145,347
Infants' and children's underwear	746,827
Total	2,453,273

There was in addition, estimated production of 92,949 dozen hats and 1,500,000 dozen pairs of socks and stockings. It is estimated that practically all of this production had been delivered for sale in Canada by January 1, 1944; that there was no accumulaton of inventories in manufacturers' hands. Nominal numbers of some of these garments were procured for export to countries dependent on Canada for supplies and small numbers were procured by relief organizations for the bombed out children of the United Kingdom.

2. The estimated production of men's overals for civilian use in the years 1935 to 1943 inclusive was as follows:

1935	2,903,580
1936	2,891,952
1937	3,303,536
1938	2,741,580
1939	3,175,764
1940	3,219,520
1941	3,834,019
1942	3,245,862
1943	3,025,971

The above production data included in all years a number of overall coats. The comments in respect of the quantities delivered for sale by January 1, 1944, given in 1 above apply in this connection as well. It is not known how much had been moved into retail stores by that date. A small number of overalls was supplied to Alaska highway and other international construction projects in 1943, and to countries dependent on Canada for some part of their requirements.

3. There are no statistical data on the production of flannelette for the years 1935-1941 inclusive. It is estimated that the production of the year 1942 was about 24,000,000 yards and of the year 1943 it was 24,263,060 yards, as determined by questionnaire of the wartime prices and trade board. Of this latter production, it is estimated that 12,600,000 yards were of the Saxony type, including white, blue and pink. Production was moved from the mills as rapidly as possible and practically the whole of it had been put in manufacturing and distribution channels by January 1, 1944. It is not known how much had been moved into retail stores by that date. Substantial yardages of this fabric were procured in retail and wholesale outlets by Canadian Red Cross and other organizations furnishing comforts to the bombed out victims in the United Kingdom and to relief projects elsewhere.

4. There are no authentic data on the all-inclusive production of towelling and towels for the years 1935 to 1942 inclusive. Supply for the civilian economy then consisted of domestic production and imports of towels and towelling. An effort is being made to develop comparative data from the statistics available in the Cotton Institute and the Dominion Bureau of Statistics. Report of these researches will be made in due course.

[Mr. Nicholson.]

MOBILIZATION ACT—ATTESTATIONS FOR OVERSEAS SERVICE

Mr. HAZEN:

1. Have any men who have been conscripted into the Canadian army for home defence and have not volunteered for overseas service been sent overseas?

2. Were men who had been conscripted into the Canadian army for home defence sent to Borden, England, instead of Borden, Ontario?

3. If so, how many were sent, when did they arrive in England, and what was done with them after their arrival there?

Mr. MACDONALD (Halifax):

1. Men enrolled into the Canadian army through the provisions of National Resources Mobilization Act who have not volunteered for general service have been sent to Newfoundland (including Labrador), British West Indies, Bermuda, Alaska (including Kiska) but not elsewhere overseas.

2. No.

3. Answered by No. 2.

OPTIONAL PURCHASE PROVISIONS IN AGREEMENTS WITH PRIVATE CORPORATIONS

Mr. COLDWELL:

1. (a) Are there any optional purchase clauses contained in government agreements with private corporations in connection with government investments in any industry, plant or machinery since May 28, 1943, the date of sessional paper No. 369; (b) if so, with what companies, and in respect to what plant or facilities, has the government made such optional agreements; (c) what are the terms of all such agreements that have been made by the government?

2. (a) Are there any clauses contained in government agreements with private corporations requiring the government, on notice, to remove from any site government-owned plant or facilities; (b) if so, with what companies, and in respect to what government-owned plant

or facilities has the government made such agreements; (c) what are the terms of all such agreements that have been made by the government?

3. (a) Are there any clauses contained in government agreements with private corporations restricting in any way the use, or uses, to which government-owned plant or facilities can be devoted after the cessation of hostilities; (b) if so, with what companies and in respect to what plant or facilities has the government made such agreements; (c) what are the terms of all such agreements that have been made by the government?

Mr. HOWE:

1. There are no options to purchase contained in government agreements with private corporations in connection with government investments in any industry, plant or machinery since May 28, 1943.

2. (a) Yes. The general conditions form M & S 1307 (capital expenditures) which are annexed as schedule "B" to order in council P.C. 6284 dated July 20, 1942, contain the following provisions:

Under part II—dealing with additional equipment:

"7. Removal of additional equipment

The contractor may at any time after the lapse of twelve months from the termination of the war in which His Majesty is presently engaged, give notice in writing to the minister requiring His Majesty to remove the additional equipment from any building which is the property of the contractor or which the contractor occupies as tenant by virtue of a lease made with a lessor other than His Majesty, and upon receipt by the minister of any such notice, His Majesty shall, provided that the additional equipment in the opinion of the minister is not required for the manufacture of munitions of war or supplies in any such building, cause such additional equipment to be removed therefrom within a period of thirty days following the receipt of such notice, or within such extended period as may be reasonably required for such removal. The right herein conferred shall mutatis mutandis be exercisable by the contractor on behalf of any of its sub-contractors in any case where any additional equipment has been installed with the consent of His Majesty in any building which is the property of any such sub-contractor or which any such sub-contractor occupies as tenant by virtue of a lease made with a lessor other than His Majesty."

Under part III—dealing with plant additions:

"10. Title to vest in His Majesty

Subject to the provisions of the agreement the plant addition, both during construction and after completion, shall be the property of His Majesty, provided that if the plant addition is constructed upon lands owned by the contractor, such lands shall remain the property of the contractor but if so required by His Majesty, shall be made available to His Majesty, free of charge, until five years after the cessation of hostilities in the present war and His Majesty shall have an irrevocable option, exercisable until but not after five years after the cessation of the present war in which His Majesty is engaged, to purchase such lands at a fair and reasonable price to be determined by mutual agreement or, in default of agreement, by the exchequer court."

In cases where the extensions and additions have been built within the contractor's plant for war purposes and which are likely to interfere with the operation of the plant for civilian business, it has been agreed that within a reasonable period after the cessation of hostilities the government and the contractor will review the matter and if no satisfactory arrangement can be arrived at with respect to the disposal of the extensions and additions, the same will be removed by the government.

(b) To answer this question it would be necessary to examine each capital assistance contract entered into by the government and to list all the items acquired by each contractor. It is impossible at the present time to divert the necessary staff required for this purpose.

(c) Answered by (a).

3. The answer to this question is contained in the schedule forming part of sessional paper No. 369, tabled on May 28, 1943.

VETERANS' LAND ACT

Mr. CASSELMAN:

1. Has the Veterans' Land Act yet become operative?

2. If so, how many loans have been made to discharged service men to February 15, 1944?

3. What is the total value of these loans?

4. Have the officers of the Veterans' Land Act purchased any farms or other property?

5. If so, from whom did they purchase the farms or property?

6. Where are they located?

7. What was the purchase price of each piece of land?

8. Do the officers inspect each piece of land offered to them for sale?

9. If not, how do they determine where they are going to purchase land?

10. What are the names and addresses of the officers engaged in purchasing these lands?

11. What are the salaries of each?

12. What experience has each had in farming or in buying farm lands?

Mr. CASSELMAN: As a result of a conference some days ago with the director of the Veterans' Land Act, certain requests were made to me with respect to changing the form of this question. With some of these I am prepared to concur, but I am not with regard to others. I would ask that the question be dropped so that I may frame a new question.

Question dropped.

SOLDIER SETTLEMENT

Mr. FAIR:

1. How many returned veterans held land under contract with the soldier settlement board as at, (a) September 1, 1939; (b) December 31, 1943?

2. During the period September 1, 1939, to December 31, 1943, how many of those veterans, (a) obtained title deeds to their lands; (b) signed quit claim deeds; (c) were served with 30-day notices to vacate; (d) enlisted for service in any of the forces; (e) had a portion of their dependents' allowance deducted and applied on their debt to the soldier settlement board; (f) applied for extension of time under order in council No. P.C. 10472?

3. What is the total indebtedness to the board of those veterans whose contracts were still in effect at December 31, 1943?

Mr. CRERAR:

1. (a) 8,608; (b) 6,190.

2. (a) 1,404; (b) 466; (c) 342; (d) 966; (e) 234;—voluntary, 200; under order in council, 34; (f) 288.

3. $8,684,553.70.

BEEF SUBSIDIES OR SUBVENTIONS

Mr. TUSTIN:

1. Does the government of Canada pay a subsidy or any other form of subvention for the movement of beef cattle from western Canada to the central Canada market?

2. If so, from what date has such subsidy or subvention been in force, and what are the terms and conditions?

3. To whom is the subsidy or subvention actually paid, (a) to the producer; (b) to the packer; or (c) to the commission man?

4. What is the total amount paid out of the federal treasury on such subsidies or subventions to date, and to what firms or persons?

5. Is any of the beef upon which subsidies or subventions have been paid by the government purchased for use by the government purchasing agencies for the armed forces or British account, or any other government account?

Mr. ABBOTT:

1. The government does not pay a subsidy on the transportation of beef cattle but does pay a subsidy on the movement of beef from zones in the prairie provinces to the eastern provinces. Through the commodity prices stabilization corporation, limited, shippers of beef are reimbursed to the extent that transportation charges per pound exceed the difference between the maximum price in the zone of destination and the maximum price in the zone of shipment.

2. Provision for payment of this subsidy came into effect on February 8, 1943, and was suspended as of October 31, 1943. The subsidy was again brought into effect on shipments made on and after January 1, 1944.

The terms and conditions are as follows: "Only the shipper of beef may apply for this subsidy to commodity prices stabilization corporation limited, 60 Rideau street, Ottawa. Such applications must be accompanied by shippers' signed invoice in triplicate, addressed to said corporation, setting forth full particulars of the amount claimed, made up in the following form:

(a) Initial icing charge
  1. Done by shipper.....
  2. Done by railway or other second party .....
(b) Rail freight at carload rate.....
(c) Icing charges en route.....

Less differential between price of dressed beef in shipping zone and price of dressed in delivery zone.....

3. To the shipper of beef.

4. Total amount paid $286,022.96. Shippers who have received subsidy are: Burns & Co., Ltd., at Regina, Winnipeg, Prince Albert and Calgary; Canada Packers, at St. Boniface, Edmonton; Gainors Ltd., at Edmonton; W. C. Johnson & Co.; Katchen Bros., at Calgary; Modern Packers Ltd., at Calgary and St. Boniface; Morantz Beef Co., at Montreal; O.K. Packing Co., at St. Boniface; Public Abattoir, at St. Boniface; H. & I. Rosenfeld, at St. Boniface; Rosenfeld & Pinsky, at St. Boniface; Swift Can. Co., at St. Boniface, Moose Jaw and Edmonton; St. Boniface Abattoir, St. Boniface; Wilsil, Limited, at Montreal.

5. Yes, for Eastern Canadian Camps.

RURAL MAIL ROUTES

Mr. NEILL:

1. What is the total number of rural mail routes (on land only) in each of the different provinces, each province shown separately?

2. Since the passage of order in council 4960, how many applications in each province have been received from or on behalf of rural mail carriers to have their rate of remuneration increased under the operation of that order in council?

3. How many were granted an increase in each province?

4. In each province, what percentage of the applications were granted increases?

5. How many rural routes (on land only) are there in the electoral district of Comox-Alberni?

6. How many applications, as above, were received in that district?

7. What percentage of applications were granted?

Mr. NEILL: In deference to the remarks of the Prime Minister with regard to curtailing expense, I ask that this question be dropped. I think I can get the information in a different way.

Question dropped.

WHEAT BOARD—BROKERAGE AND OTHER FEES

Mr. PERLEY:

How much in brokerage fees, commission or any other fees was paid by the Canadian wheat board to the following export firms since August 1, 1943: Alberta Pacific Grain Company Limited, Bunge North American Grain Corporation (Canadian Agency Limited), Cargill Grain Company Limited, Continental Grain Company Limited, Laval and Company Incorporated, McCabe Brothers Grain Company Limited, Searle Grain Company Limited, K. B Stoddart & Company Limited?

Mr. MacKINNON (Edmonton West): The information asked for by the hon member for Qu'Appelle in this question is not available in the form in which it is asked and it would involve a considerable amount of expense and time in its preparation. In any event, the answer to the question would disclose the competitive position of individual companies, and, moreover, would have an adverse effect on the board's future operations through these companies. I would therefore recommend that the question be dropped.

Mr. PERLEY: Before the question is dropped I should like to have an opportunity of conferring with the minister. To say that these accounts cannot be separated is all bunk. If the minister will permit me an opportunity to discuss the matter with him and get certain information, it will be all right.

Mr. MacKINNON (Edmonton West): I shall be glad to confer with the hon. member for Qu'Appelle. In the meantime the question can be dropped.

Mr. GRAYDON: The minister has set up several lines of defence, first second and third; in case the one is no good, he intends to rely upon the others. I do not think the minister should ask to have this question dropped. Perhaps it could be allowed to stand, because there is no special reason why the hon. member should not be able to frame another question. I think the minister should be courteous enough to allow the matter to stand for one day anyway.

Mr. SPEAKER: Stand.

STORAGE FEES ON GRAIN IN TERMINAL ELEVATORS

Mr. PERLEY:

1. What was the total amount of storage fees paid on grain in terminal elevators at Fort William and Port Arthur for the crop year 1942-43?

2. How much was paid to each individual terminal company?

Mr. MacKINNON (Edmonton West): The hon. member for Qu'Appelle has asked for the total amount of storage fees paid on grain in the lakehead terminals for the crop year 1942-43. In reply I would say that the terminal elevator companies are not required to report such earnings, and I regret that there is no information available.

Mr. PERLEY: Here again, if we had the report of the operations of the wheat board as we should have, this question perhaps would not be necessary. I ask that it stand until I have an opportunity to discuss it with the minister.

Mr. HOWE: It has been answered.

WARTIME INDUSTRIAL TRANSIT AUTOMOBILE INSURANCE—BRITISH COLUMBIA

Mr. MacINNIS:

1. What amount has been collected in the province of British Columbia by the wartime industrial transit automobile insurance from its inception to date?

2. What amount has been paid out in claims since its inception to date?

3. What has been the cost of operation for the same period?

4. What risk or risks is the policy designed to cover?

Mr. HOWE:

1. The wartime industrial transit plan is not operated by the government. The government does not collect premiums, pay claims or bear the cost of operation. For this reason the information asked for is not available. See also the answer to question No. 4.

2. Answered by No. 1.

3. Answered by No. 1.

4. The insurance coverage was developed in discussion with the provincial superintendents of insurance who were the executive of the provincial superintendents' conference. The policy settled and approved by the provincial superintendents covered

only the legal liability of the drivers to their passengers carried under the plan. The companies, however, undertook by the policies not to raise any guest laws, and high policy limits eliminated the possibility of guest laws being raised against passengers by drivers. At the same time, the transit controller through the provincial superintendents and the representatives of the insurance companies procured from all insurers in Canada an undertaking that "ride-sharing" involving contributions from passengers would not be treated as invalidating automobile insurance coverage. This undertaking extended to all automobile insureds but it had particular application to the W.I.T. plan insurance where contributions among workmen are common. While the policy written was technically a liability policy, the pool has found it possible and desirable to pay compensation to every passenger workman injured while carried under the plan regardless of the quantity or in fact the existence of negligence on the part of the driver. In addition, the policy which strictly only covered claims of passengers approved for carriage by a particular driver, has in practice been treated as covering in respect of any passenger workmen of the same plant or any other plant operated under the plan. The provincial superintendents later settled and approved an endorsement which adds accident coverage on each driver including an indemnity provision of up to $30 per week for 100 weeks. If reserves set up against unpaid losses are adequate, the pool has established a surplus to date, but drivers are frequently injured and occasionally killed while driving under the plan and it is expected that the combination policy may exceed a safe loss ratio. The premium, which was experimentally set at $1 per car per month, remains unchanged. The expressed object of the pool is to operate as closely as possible to a five per cent margin basis with any balance of premiums allocated to a pool fund to maintain the rate level against the increased losses anticipated. The pool also intends that the experience and rate level will be reviewed again at June 30, 1944.

WHEAT—STREET AND CASH PRICES

Mr. DONNELLY:

1. What was the cash price for No. 1 Northern wheat at Fort William on September 27, 1943?

2. What was the street price for No. 1 Northern wheat at stations taking a 25-cent freight rate in western Canada on September 27, 1943?

3. What was the cash price for No. 1 Northern wheat at Fort William on September 28, 1943?

[Mr. Howe.]

4. What was the street price for No. 1 Northern wheat at stations taking a 25-cent freight rate in western Canada on September 28, 1943?

Mr. MacKINNON (Edmonton West):

1. $1.23¼.

2. 92¼ cents.

3. Trading in wheat was discontinued as at the close, September 27 and the Canadian wheat board was empowered to acquire for government account all unsold stocks of wheat in commercial positions in Canada. The closing prices of September 27 were published on succeeding dates "For record purposes only."

4. See answer to No. 3 above. As of September 28, the Canadian wheat board become the buyer of wheat at country points at an initial price of $1.25 per bushel for No. 1 northern, basis in store Fort William/Port Arthur. The board's initial payment for No. 1 northern wheat on a street basis at a 25-cent freight rate point is $1.07. This figure is not comparable with the 92¼ cents quoted for September 27 unless the adjustment for that date of 12½ cents per bushel made by the purchasing company to the producer and the increase of 1¾ cents in the price are taken into account.

*MOUNTED POLICE—COST-OF-LIVING BONUS

Mr. TURNER:

1. Is the cost-of-living bonus paid to members of the Royal Canadian Mounted Police?

2. If not, will consideration be given to paying such bonus to the members of this force?

Mr. ST. LAURENT: As there has been expressed in the house at times such a high appreciation of the services of the Royal Canadian Mounted Police I think hon. members will be more than ordinarily interested in the answer to this question. For this reason perhaps I may be permitted to give the answer orally.

The answer to the first question is no. The members of this force were not included in the terms of the order in council of August 26, 1941, being P.C. 6702.

With regard to the second question, consideration has been given to the proper recognition of the work being done by the members of the Royal Canadian Mounted Police at this time because of the added war duties that have been placed upon them. In recognition of that, His Excellency in council approved on March 3 a recommendation of the treasury board that extra war duties pay to all members of the Royal Canadian Mounted Police be authorized for a period of one year from February 1, 1944. This is to recompense the

members for the extra duties they have been called upon to perform on account of the war. The rates are as follows:

	Per diem
Officers	$1.25
Non-commissioned officers	1.00
Constables	.75
Special constable guards employed in guarding vulnerable points, public utilities, public buildings, et cetera and ordinary special constables, as approved by the commissioner	.50

The numbers to whom this scale of extra war duties pay will apply are as follows:

Officers	95
Non-commissioned officers	893
Constables	1,900
Special constable guards and ordinary special constables	1,934
Total	4,822

Mr. GRAYDON: Is the total of 4,822 the total strength of the Royal Canadian Mounted Police?

Mr. ST. LAURENT: Yes.

Mr. GRAYDON: In changing its policy is the government going to make the cost of living bonus retroactive to the time when the bonus was introduced as a policy?

Mr. ST. LAURENT: There is no cost of living bonus involved. This is a special war duties pay to apply as from February 1, 1944, for a period of twelve months, and to be subject to review and modification as circumstances may warrant at the end of that time.

Mr. GRAYDON: In other words, it is not retroactive?

Mr. ST. LAURENT: No. It is from February 1, 1944.

Mr. GRAYDON: I think it should have been retroactive.

Mr. LOCKHART: Will this include the special guards who are brought in by the Department of National Defence and attached to the Royal Canadian Mounted Police?

Mr. ST. LAURENT: Yes, special constable guards and ordinary special constables.

ELEMENTARY FLYING TRAINING SCHOOLS

Mr. CRUICKSHANK:

1. What is the cost per pupil graduate in each elementary flying training school?
2. Which instructors are paid by the government at each of these schools, (a) R.C.A.F. personnel; (b) civilian instructors?
3. Which are paid by private companies?
4. What was the average cost per pupil graduate in each of these schools prior to July 1, 1942?

Mr. McLARTY:

1.

	From Inception To July/42	To Jan./44
No. 2—Fort William, Ont.	$ 967.46	$842.97
No. 3—London, Ont.	972.58	—
No. 4—Windsor Mills, Que.	1,102.84	992.02
No. 5—High River, Alta.	848.36	670.78
No. 6—Prince Albert, Sask.	957.98	767.79
No. 7—Windsor, Ont.	877.12	763.74
No. 9—St. Catharines, Ont.	978.46	767.25
No. 10—Pendleton, Ont.	980.68	888.44
No. 11—Cap de la Madeleine, P.Q.	906.98	755.17
No. 12—Goderich, Ont.	872.24	672.27
No. 13—St. Eugene, Ont.	996.72	783.45
No. 15—Regina, Saskatchewan	866.77	714.76
No. 17—Stanley, N.S.	1,116.49	957.27
No. 19—Virden, Manitoba	937.66	692.09
No. 20—Oshawa, Ont.	1,140.56	832.67
No. 22—Ancienne Lorette, Que.	1,221.73	—
No. 24—Abbotsford, B.C.	623.64	703.54
No. 25—Assiniboia, Sask.	931.55	687.76
No. 26—Neepawa, Manitoba	1,131.44	628.25
No. 31—De Winton, Alta.	835.41	671.07
No. 32—Bowden, Alta.	843.84	690.39
No. 33—Caron, Sask.	859.61	613.61

NOTE:—

No. 1—Malton was transferred to No. 31, De Winton.
No. 3—London closed 3rd July, 1942.
No. 8—Vancouver was transferred to No. 24, Abbotsford.
No. 14—Portage la Prairie transferred to No. 25, Assiniboia.
No. 16—Edmonton transferred to No. 32, Bowden.
No. 18—Boundary Bay transferred to No. 33, Caron.
No. 21—Chatham transferred to No. 26, Neepawa.
No. 22—Ancienne Lorette (Quebec) closed 3rd July, 1942.

2. All R.C.A.F. personnel at E.F.T.S. are paid by the government; all civilian instructors are paid by the operating companies.

3. Civilian instructors are paid by private (the operating) companies.

4. See (1) above.

R.C.A.F.—OFFICERS RETIRED

Mr. SINCLAIR:

How many officers of the R.C.A.F. of air rank have been retired since September 10, 1939, (a) of the permanent force; (b) of the auxiliary force; (c) of the special reserve?

Mr. MACMILLAN:

1. (a) (i) One officer of the permanent force.

(ii) Three permanent force officers presently on retirement leave—two retirements effective in June and one in July, of this year.

(iii) Five permanent force officers whose retirements have been authorized but not yet promulgated.

(b) Nil.

(c) Nil.

UNEMPLOYMENT

Mr. MacINNIS:

What was the average number of persons unemployed in Canada for each of the years 1938 to 1943 inclusive?

Mr. MITCHELL:

1938-39: The dominion bureau of statistics has estimated (in "Annual review of the employment situation in Canada", for 1938-1939) that the average unemployment among wage and salary workers was as follows: 1938, 401,000; 1939, 388,000.

It should be noted that these figures do not include an estimate of unemployment among young persons who had never worked and who were seeking work, which was substantial in these years.

1940: No figures available. The estimates of unemployment prepared by the dominion bureau of statistics were discontinued in 1939.

1941: According to the population census, there were 124,165 wage and salary workers unemployed on June 2, 1941.

1942-43: According to the records of the unemployment insurance commission, the average number of unplaced applicants was as follows: 1942, 65,666; 1943, 73,677.

REDEMPTION OF WORN AND MUTILATED COINAGE

Mr. ISNOR:

What action, if any, has been taken to redeem smooth and mutilated Canadian coinage?

Mr. ABBOTT:

Silver, nickel and bronze coin of the Dominion of Canada, which is worn smooth by natural abrasion, is redeemed by the Bank of Canada at face value. Silver, nickel and bronze coin which has been appreciably reduced in weight by any means except natural abrasion is redeemed by the Bank of Canada at a discount of 25 per cent of its face value.

The withdrawal of smooth and mutilated coinage from circulation is, in the first instance, a responsibility of the commercial banks. The procedure is to have the coins forwarded for redemption to one of the various agencies of the Bank of Canada.

It is possible that due to the shortage of subsidiary coinage caused by unprecedented demands arising out of the war, some branches of the commercial banks have found it necessary, in order to meet public demand, to keep in circulation smooth or mutilated coins instead of withdrawing them as rapidly as prior to the outbreak of war.

TRENTON, N.S., SHELL PLANT

Mr. GILLIS:

1. How much money did the government put into the shell plant at Trenton, Nova Scotia?

2. What was the cost per shell in this plant?

3. How many plants in Canada are manufacturing naval shells, and where are they located?

4. What is the cost per shell at the other plants?

5. Did the orders previously filled at the Trenton plant go to the plant located in Toronto, Ontario?

6. What specifically was the reason for closing the plant at Trenton, Nova Scotia?

Mr. HOWE:

1. Capital expenditure, $576,249.29, for facilities created for war production at the Trenton steel works, title to which is vested in the crown.

Buildings	$ 31,108 00
Machinery	428,409 91
Equipment	45,445 38
Installation	60,675 00
Jigs, Tools, Dies	6,642 00
Gauges	3,969 00
	$ 576,249 29

2. H. E. Shell, $5.60; H. A. & L. A. Shell, $5.41.

3. One other plant only is manufacturing for naval requirements and this plant is producing practice and proof shot only. The plant is located in New Brunswick and was in operation before the closing of the Trenton plant.

4. This shell is not being made at any other plant.

5. No. See also answer to 4. The Toronto plant is producing 40 M/M shell.

6. Contracts were completed and there are, up to the present, no further requirements.

THREE RIVERS—STE. ANGELE DE LAVAL BRIDGE

Mr. DUBOIS:

1. Has the government given effect to a resolution passed by the House of Commons on March 9, 1936, concerning the examination of a project for the construction of a bridge between Three Rivers and Ste. Angele de Laval, county of Nicolet-Yamaska?

2. Will the government consider the advisability of including this project in its programme of public works reconstruction after the war?

Mr. MICHAUD:

1. No.

2. Consideration will be given to its inclusion in post-war programme when the magnitude of the problem is known.

WAR PENSIONS

Mr. HANSON (Skeena):

1. Of pensions in force with regard to the great war, (a) how many are related to death or disability of members of the forces who served in a theatre of war; (b) how many with regard to persons who did not serve in a theatre of war?

2. Of pensions in force with regard to the present war, (a) how many are related to death or disability of members of the forces who served in a theatre of war; (b) how many with regard to persons who did not serve in a theatre of war?

Mr. MACKENZIE (Vancouver Centre): Return as of December 31, 1943:

	Number	Percentage
1. (a)	82,378	88·6
(b)	10,597	11·4
	92,975	100·0

Return as of December 31, 1943, and including members of R.C.A.F. attached to the R.A.F.:

	Number	Percentage
2. (a)	7,844	76·2
(b)	2,448	23·8
	10,292	100·0

AIR OBSERVER AND ELEMENTARY FLYING SCHOOLS —COST OF LIVING BONUS

Mr. DIEFENBAKER:

1. Are the employees of air observer schools and elementary flying training schools entitled to cost-of-living bonus?

2. If the answer is yes, do all schools pay it? If not, which schools do not?

Mr. MACMILLAN:

1. Yes, in accordance with regulations laid down by national war labour board.

2. Yes.

PERMITS TO EXPORT CHARCOAL

Mr. POULIOT:

What persons have been granted permits to export charcoal to the United States since the beginning of the war?

Mr. MacKINNON (Edmonton West): With reference to this question, may I say that the information contained on an application for an export permit is given to the government in confidence. The tabling of this information would disclose to competitors the details of business carried on by individual firms and in accordance with usual government practice we are unable to disclose these details. In the public interest, therefore, I suggest that this question be dropped.

Question dropped.

PRICES—BEEF, EGGS, ETC.

Mr. BLAIR:

What was the lowest price during each of the years 1929, 1932 and 1943, on, (a) beef; (b) eggs; (c) cheese; (d) butter?

Mr. MacKINNON (Edmonton West): Lowest prices listed below have been taken from the following records:

(a) Beef, good cows—Montreal, Toronto, Winnipeg, Vancouver.

(b) Eggs, fresh seconds or Grade B's—Halifax, Saint John, Montreal, Toronto, Winnipeg, Saskatoon, Calgary, Vancouver.

(c) Cheese, new large—Montreal, Toronto.

(d) Butter, creamery prints—Montreal, Toronto, Winnipeg, Regina, Calgary, Vancouver.

Lowest wholesale price—	1929		1932		1943	
(a) Beef, good cow, lb...	Winnipeg	$0·135	Winnipeg	$0·048	Winnipeg	$0·145
(b) Eggs, fresh 2nds, doz.	Calgary.	$0·220	Saskatoon	$0·082	Saskatoon	$0·266, gr. B
(c) Cheese, new large, lb.	Montreal	$0·195	Toronto	$0·093	Montreal	$0·200
(d) Butter, creamery prints, lb.....	Calgary	$0·380	Regina	$0·160	Regina	$0·330

PRICES—MILK

Mr. McNEVIN:

What was the price paid at the farms, to producers, for whole milk for the Toronto market, during the months of December and June of the years, 1929, 1932 and 1943, including bonus.

Mr. MacKINNON (Edmonton West):

	1929		1932		1943	
	June	Dec.	June	Dec.	June	Dec.
Price to producers for Toronto market. Price at farm not available. Whole milk (8 gal. can at dairy).....	$1·950	$2·393	$1·195	$1·195	$2·268*	$2·474*

*Calculated from per cwt. prices of $2.75 for June and $3.00 for December.

PRICES—SHEEP, STEERS AND CALVES

Mr. McNEVIN:

What was the price of, (a) choice sheep and lambs; (b) butcher steers; (c) veal calves, on the Toronto live stock market on December 15, and July 15, in each of the years, 1929, 1932 and 1943?

Mr. MacKINNON (Edmonton West):

	1929		1932		1943	
	July	Dec.	July	Dec.	July	Dec.
Live stock, Toronto stockyards						
Lambs, good handyweight, cwt.	$15·100	$12·410	$7·390	$5·180	$18·380	$12·380
	Good 1,000-1,200 lbs.		Good and Choice over 1,050 lbs.		Good up to 1,050 lbs.	
Steers, cwt.	$11·150	$ 9·630	$6·140	$4·100	$12·530	$11·680
Calves, good veal, cwt.	14·850	15·760	5·460	6·030	14·800	15·450

PRICES—NO. 1 ONTARIO FALL MILLING WHEAT

Mr. McNEVIN:

What was the market price of No. 1 Ontario fall wheat (milling) on December 16, 1929, 1932, 1943?

Mr. MacKINNON (Edmonton West):

	December	December	December
No. 1 Ontario wheat (milling) f.o.b. shipping point, monthly average, bushel.....	$1·210	$0·403	$1·130

QUEBEC CONFERENCE, 1943

Mr. RAYMOND:

1. Was Churchill-Roosevelt conference held in Quebec city in August and September, 1943, convened at that place upon the invitation of the Canadian government?

2. Out of the sums expended by the Canadian government for the holding of such conference, what amount was paid for liquor to the Quebec liquor commission?

Mr. MACKENZIE KING:

1. Yes.

2. The representatives attending the historic conference were the guests of Canada. It is not the practice of countries which have the honour of entertaining heads of states and distinguished representatives of other nations to make public such details.

PRICES—STEERS, CALVES, ETC.

Mr. FAIR:

On December 16, 1919, what was the price on the Winnipeg stock market for, (a) No. 1 choice butcher steers; (b) calves, good and choice veal; (c) lambs, good handyweights; (d) sheep, good handyweights; (e) hogs, grade A dressed basis, delivered off the trucks at yards and plants?

Mr. MacKINNON (Edmonton West):

Wholesale Prices of Certain Specified Live stock on the Winnipeg Market

Item	Description	Unit	December 3,* 1919
			$
Steers	choice, heavy, 1,100-1,200 lbs.	cwt.	9 50-10 50
Calves	veal	cwt.	7 50- 9 50
Lambs	fat	cwt.	10 00-12 25
Sheep		cwt.	7 00- 8 50
Hogs	selects, fed and watered	cwt.	14 50

*Prices on December 16, 1919 not available. The above are the only descriptions for which records are available at Winnipeg.

CANCER RESEARCH

Mr. LEADER:

1. Is anything being done by the Department of Pensions and National Health to investigate the cancer research work conducted by Dr. J. R. Davidson, of Winnipeg?

2. If so, of what nature is such investigation, and what person or persons are conducting same?

3. When the investigation is completed, will the findings be made public?

Mr. MACKENZIE (Vancouver Centre):

1. An application for financial assistance in continuing his cancer research work has been made by Dr. J. R. Davidson to the national research council. The application will, it is expected, be considered soon by the associate committee on medical research of the council, on which committee the Department of Pensions and National Health has representation.

The function of the committee is to consider any information which an applicant may submit, and it is within the competence of the council to make expenditures from public funds to assist in forwarding research work recommended by the committee.

2. No investigation, other than the procedure mentioned in the answer to No. 1, is made.

3. Answered by No. 2.

SHACKLING OF CANADIAN PRISONERS OF WAR

Mr. CHURCH:

1. Has the government received any additional information this session as to the shackling of Canadian prisoners by Germany?

2. Has all the information available been secured from the protecting power in Switzerland, or through the international Red Cross, and do the government agencies also protect them?

Mr. MACKENZIE KING:

1. Yes. The government is regularly receiving information about the treatment of Canadian prisoners of war in Germany.

2. Information on conditions in prisoner of war camps in Germany is received through the Swiss government, which is the protecting power for Canadian interests, and through the International Red Cross. The Canadian government itself can only act to protect Canadian prisoners of war through the protecting power and, in matters affecting general welfare and camp conditions through the International Red Cross.

QUESTIONS PASSED AS ORDERS FOR RETURNS

R. C. A. F.—STRENGTH AND CASUALTIES

Mr. ROY:

1. What is the total strength of the Royal Canadian Air Force?

2. How many Canadians are now serving in the Royal Air Force?

3. What are the casualties to date, giving names and addresses, (a) in the Royal Canadian Air Force; (b) among Canadians in the Royal Air Force?

BRITISH COLUMBIA FISHERIES—DRAGGER TYPE BOATS

Mr. HANSON (Skeena):

1. Has the government contributed towards the construction of a seiner dragger type of boat on the Pacific coast? If so, from what source did the request for the assistance towards the construction of this type of boat come?

2. What official or officials of the government visited the Pacific coast and arranged for assistance towards the construction of these boats?

3. What was the minimum length and tonnage of the boats to be?

4. On whose suggestion was the length or tonnage arrived at?

5. What was the reason for setting the minimum length and tonnage arrived at?

6. How many boats have been constructed on the Pacific coast under government assistance? What are their names, and by whom is each boat owned?

7. What number of boats, and who are the owners of same, that are not yet completed?

8. Have any of these boats been transferred from the original owners?

9. What was the cost of each boat when completed?

10. What amount has the government, by way of direct subsidy and depreciation, obligated themselves to contribute?

11. Is the original owner required to retain the ownership of this boat for a set period? If so, what is that period?

12. Has the government assisted in the construction of these boats by reason of having taken boats for defence purposes? If so, why did they not construct them themselves and turn back to the owners the boats they had taken for naval purposes?

13. Was there, at or before the war, submitted to the Department of Naval Services and the Department of Fisheries a plan for the construction of a halibut packer type of boat? If so, why was not this type of boat constructed instead or as well as the type that was agreed upon? Are such boats to be used by the government for defence purposes during the war, then sold to fishermen?

14. What is, or was, the length and tonnage of the dragger type of boat, to the building of which the government has contributed on the Atlantic coast? Why was this minimum set?

15. What assistance has been given towards the building and converting of vessels on the Atlantic?

16. What person or persons have availed themselves of this opportunity?

17. How many vessels or boats have been converted or built, and what are the names of the owners?

PERMITS UNDER ORDER IN COUNCIL P.C. 9440—IMMIGRATION STATUS OF REFUGEES

Mr. DORION:

What are the names, the previous residences and the racial origin of the persons to whom permits have been issued by the Minister of Mines and Resources, under order in council P.C. 9440, December 10, 1943?

Mr. CRERAR: This question should stand as an order for return. It will take considerable time to get the information requested.

PUBLIC SERVICE—UNITED STATES NATIONALS

Mr. BLACKMORE:

1. Since September, 1939, and up until March 1, 1944, how many people of United States citizenship have been employed by the civil service of Canada or put on the federal government payroll in any capacity at salaries of $1,200 and higher per annum?

2. What are their names, salary, and what position is held by each of them?

RETIREMENT ANNUITY PLANS

Mr. KNOWLES:

1. What was the number of retirement annuity plans for employees in force under the annuities branch of the Department of Labour in 1923, 1928, 1933, 1938, 1939, 1940, 1941, 1942, 1943, in each of the following classifications, (a) government bodies such as federal, provincial or municipal; (b) private companies and other non-governmental employers?

2. What was the total valuation of retirement annuity plans for employees in force under the annuities branch of the Department of Labour for each of the above years in each of the above classifications?

CANADIAN FORCES—STOVES FOR BUILDINGS

Mr. FRASER (Peterborough West):

1. How many stoves were bought by any department of the government for the purpose of heating buildings used by the armed forces?

[Mr. O. Hanson.]

2. What was the make, and the unit cost of these stoves?

3. How many of these stoves have been discarded or replaced?

4. If any, how many of these have been sold, and at what price?

5. Have any of the discarded stoves been broken up and sold as scrap?

6. If so, how many, and how much per pound was received for the scrap?

REPRINTS OF MEMBERS' SPEECHES

Mr. PURDY:

1. Did the printing bureau prepare any pamphlets containing more than one speech of members of parliament during the year 1943?

2. If so, (a) how many different pamphlets were prepared, what were the titles of same, and whose speeches did they contain; (b) how many of each issue were prepared, and what was the price received for each issue; (c) what was the cost to the bureau of each issue, and did such cost include allowance for overhead, depreciation and a reasonable profit; (d) during the time such pamphlets were in preparation, did the bureau place orders for government printing with private firms, which could have been handled by their plant had the pamphlets not been on order?

3. What is the estimated average percentage added to costs by private printing firms for overhead, depreciation and profit?

BOOKLET BY MORLEY CALLAGHAN—"CANADA THINKS OF THE FUTURE"

Mr. CHURCH:

1. How many copies of a booklet of Canadian affairs entitled "Canada Thinks of the Future", Vol. 1, No. 14, by Morley Callaghan (the Marsh report), were published, and who authorized it?

2. Where was it circulated, and at what cost?

3. Why was this contentious booklet circulated among troops overseas, and for what purpose?

4. What has been the total cost of all these publications, how many were issued, and where were they circulated overseas?

5. Will issues like these be discontinued in future?

HOUSING—TORONTO

Mr. CHURCH:

1. What has been done since last session to relieve the very serious need of small houses and the housing situation in Toronto, (a) for civilian citizens; (b) soldiers and their families; (c) soldiers from overseas returning home?

2. Who is in charge of it at Toronto?

3. What has been spent there on houses for war workers?

4. What has been spent on dwelling conversions there, and at what cost each year since the present war began?

CANADIAN FORCES—SPORTING EQUIPMENT

Mr. CHURCH:

1. What amount of money has been spent each year by the government in supplying sporting equipment goods of all kinds to soldiers, (a) the forces in Great Britain; (b) Italy, Africa and other fronts; (c) camps of the various forces in Canada; (d) prisoners of war overseas; (e) all other theatres of war overseas?

2. Is this work under government control, and is there any duplication?

MAPLE PRODUCTS

Mr. LACOMBE:

1. For the year 1943, what was the total value of maple products in Canada, (a) in sugar; (b) in maple syrup?
2. What was the domestic consumption of these products in Canada?
3. What was, in pounds, the quantity of our exports in maple sugar during the same year?
4. What was, in gallons, for the same period, the quantity of our exports in maple syrup?
5. Are those products now rationed in Canada?
6. If so, why?
7. Has the price of these products been fixed?
8. If so, what is the ceiling for sugar and for syrup?
9. Has the government, in establishing a ceiling for the price of these products, taken into account the increase in the cost of labour and production?
10. Has consideration also been given, in fixing the price of maple products, to the very high price of firewood required for such production?

MOBILIZATION ACT—TRAINEES RECEIVED AT BRANDON

Mr. MATTHEWS:

How many trainees have been received at each of the following centres since the outbreak of war,—No. 2 manning depot, Brandon, No. 12 S.F.T.S., Brandon, No. 4 artillery training centre, Brandon?

CANADIAN FORCES OVERSEAS—CURRENCY USED IN PAY AND ALLOWANCES

Mr. DORION:

1. Are the members of the armed services stationed overseas paid in the currency of the different countries in which they are stationed?
2. If so, (a) what is the amount of their pay in local currency; (b) what is the actual value of these currencies on the Canadian market; (c) by what means are Canadian funds transferred to these countries for the purpose of paying the members of the armed services?

MOBILIZATION ACT—LOCATION OF INDIVIDUALS WHOSE ADDRESSES ARE UNKNOWN

Mr. DORION:

1. Following order in council P.C. 2278, dated March 22, 1943, how many cases have been referred to the Hooper-Holmes bureau, Toronto, to locate the whereabouts of individuals whom the divisional registrars have been unable to locate?
2. How many such individuals have been located by this organization?
3. What have been the amounts claimed by this bureau for this special work?

MOTIONS FOR PAPERS

UNEMPLOYMENT INSURANCE REGULATIONS

Mr. FRASER (Peterborough West):

For a copy of regulations issued under the authority of the Unemployment Insurance Act, 1940, and including P.C. 3581, May 23, 1941, and P.C. 2587, of April 1, 1943, together with copies of all orders in council or regulations amending, altering or extending same and passed between May 23, 1941, and January 31, 1944.

STEEL CONTROL—LICENCES

Mr. ROSS (St. Paul's):

For a return showing,—1. The number of licences issued under authority of order No. S.C. 25, steel controller, dated March 5, 1943, from the date of the order to January 31, 1944.

2. A list of the names of the firms or persons so licensed in the cities of Montreal, Toronto, Winnipeg and Vancouver.

3. A list of the names of firms or persons who have applied for but who have been refused licences in each of the aforementioned cities.

POST-WAR EMPLOYMENT

Mr. KNOWLES:

For a copy of the questionnaire (or questionnaires) sent out by Dr. G. M. Weir in connection with the preparation of his report on post-war employment opportunities.

Mr. MACKENZIE (Vancouver Centre): Return tabled.

CANADIAN NATIONAL RAILWAYS—TRAINING CENTRES—SPUR LINES AND SIDINGS

Mr. SHAW:

For a copy of each agreement entered into between the government, or any government department, or any official thereof, and the Canadian National Railway relative to the extension of spur lines into air training centres or the construction of sidings adjacent to such training centres.

Mr. POWER: Return tabled.

LOSS OF TIRES BY FIRE AT EMERSON GARAGE, WYNYARD, SASK.

Mr. NICHOLSON:

For a copy of all letters, telegrams, memoranda and other documents in possession of the wartime prices and trade board and the Department of Munitions and Supply in connection with the loss of tires at the time of the Emerson garage fire at Wynyard, February, 1942.

Mr. NICHOLSON: Mr. Speaker, I would ask that this motion be dropped.

Motion dropped.

NORTHWEST FIELD FORCES—PENSIONS

Mr. CHURCH:

For a return showing—1. How many members, by provinces, of the Northwest field forces (1885) are still living, according to the records of the Department of Pensions and National Health?

2. How many have been given any form of aid?

3. How many of such force are known to be in necessitous circumstances?

4. What is being done, if anything, towards granting them $40 a month pension, or some grant or living allowance in lieu of pension, including hospitalization and other reasonable allowances?

5. A copy of all correspondence received by the department since November 1, 1943, to the end of January, 1944, in relation to this matter.

Mr. MACKENZIE (Vancouver Centre): Return tabled.

Mr. GRAYDON: I hope the minister is going to grant to members of these forces the war veterans' allowance.

CANADIAN WHEAT CROP, 1942-43 AND 1943-44

Mr. PERLEY:

For a copy of the agreements between the Canadian wheat board and, (a) interior elevator companies; (b) terminal elevator companies; (c) export grain companies; (d) brokers, in connection with the handling and exporting of Canadian wheat for the crop year 1942-43 and to date for the crop year 1943-44.

Mr. MacKINNON (Edmonton West): Return tabled.

UNITED KINGDOM CAPITAL INVESTMENTS ACQUIRED BY CANADA

Mr. FRASER (Peterborough West):

For a copy of order in council P.C. 1/3233, April 19, 1943, together with a statement describing the "capital investments" of the government of the United Kingdom acquired by the government of Canada and referred to in the above order; also for a statement giving amounts of refunds of duties and/or taxes granted to contractors, as referred to in paragraph (1) of the said order; and for a statement of what government-owned plants or incorporated crown companies received the benefit of remission of customs duties and/or taxes, referred to in paragraph (4) of said order; also amount of refunds or remission of duties and/or taxes paid to or granted to contractors, or increases in contract prices made under paragraph (7) of the said order.

Mr. HOWE: It will be very difficult to bring down a reply to this motion in its present form. My hon. friend is mistaken about the measures adopted to which this order in council refers. I wonder whether he would have the motion dropped and see me before rewording it? I think we can give him the information he desires if the motion is properly worded.

Mr. FRASER (Peterborough West): That will be all right. I will reword the motion after seeing the minister.

Motion dropped.

[Mr. Church.]

SUPPLY

The house in committee of supply, Mr. Bradette in the chair.

DEPARTMENT OF EXTERNAL AFFAIRS

36. Departmental administration, $410,189.

Item stands.

DEPARTMENT OF JUSTICE

88. Departmental administration, $165,975.

Item stands.

Progress reported.

WAR APPROPRIATION BILL

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

The house resumed from Thursday, March 2, consideration in committee of a resolution to grant to His Majesty certain sums of money for the carrying out of measures consequent upon the existence of a state of war—Mr. Ilsley—Mr. Bradette in the chair.

DEPARTMENT OF NATIONAL DEFENCE FOR AIR

2. Pay and allowances, $323,315,744.

The CHAIRMAN: Shall the item carry?

Mr. BENCE: I had thought that the minister was going to answer some more of the questions before we went into these items.

Mr. POWER: We are now on item 2, and we have answers to a number of questions.

Mr. MACMILLAN: The hon. member for York South (Mr. Noseworthy) asked several questions with regard to the wartime bureau of technical personnel. The questions and answers are as follows:

1. Does the wartime bureau of technical personnel cooperate with the R.C.A.F. in the enlistment of technical personnel?

Answer: Yes. The wartime bureau of technical personnel cooperates fully with the R.C.A.F. In the past the bureau has supplied the R.C.A.F. with a considerable number of technical personnel for technical appointments and also, since the inception of the science student regulations, December 1, 1942, the bureau has given its consent to the enlistment as aircrew of a large number of undergraduates who have applied for consent.

2. Are such personnel prohibited from enlisting as aircrew?

Answer: No. Science graduates may enlist as aircrew provided they obtain the consent of the wartime bureau of technical personnel. The bureau, however, is reluctant to give its consent to a science graduate if there is an unfilled demand at the time, from the

armed forces or essential civilian employers, for men with the training or experience possessed by that graduate.

The present regulations with regard to science students apply only to those students who have graduated subsequent to December 1, 1942; neither do they apply to undergraduate science students who leave university prior to graduation. These men may enlist in any branch of the armed forces.

3. Are they prevented from enlisting in any capacity?

Answer: No, but the conditions which apply in paragraph 2 which I have just read, are applicable in that regard also.

The hon. member for Cape Breton South (Mr. Gillis) asked a question with regard to the application of the order in council to Canadians serving in the R.A.F. The Minister of Pensions and National Health (Mr. Mackenzie) on June 23, 1943, made the following statement, which I think answers the hon. member:

Inquiries have been made as to whether Canadian boys, who left Canada a few years before the war to enlist in the Royal Air Force, subsequently saw active service and returned to Canada, at the time of their discharge, are eligible for benefits under the post-discharge reestablishment order (P.C. 7633).

This is the order in council which provides several of the most important measures of government assistance to ex-service men in their reestablishment problem, including vocational training, out-of-work benefit, and educational assistance.

It is the intention of the department to grant the benefits of this order in council to Canadians who serve in the R.A.F. as just described, and no additional legislation or order in council is considered necessary.

The post-discharge order provides, with respect to members of His Majesty's forces other than Canadian forces, that they must have been domiciled in Canada at the time of their enlistment therein in the present war.

Domicile is a question of intention and of fact that cannot be divided by an arbitrary date line. Any regulation stating that those who enlisted subsequent to a particular date shall be deemed eligible might have the effect of excluding somebody who, under the present legal position, would be eligible.

The department has taken the view that any Canadian boy who left Canada two or three or even four years prior to the outbreak of war for the purpose of enlisting in His Majesty's imperial forces and who returns to Canada upon his discharge would not have forfeited his domicile for the purposes of the order.

I wish to state, therefore, that Canadian boys who left Canada a few years before the war to join H.M. imperial forces to serve in the present war, and who return to Canada upon their discharge, have not necessarily by so doing lost their domicile, and will be regarded as eligible under the order unless there be some circumstance in the individual case indicating that the applicant has actually transferred his domicile permanently out of Canada.

The hon. member for York South also asked this question: Are R.C.A.F. personnel attached to the R.A.F. and serving in India required to stay there for four years?

Present arrangements with respect to (i) aircrew personnel, (ii) R.D.F. personnel, (iii) ground crew personnel are as follows:

Aircrew personnel: Upon completion of each operational and non-operational or instructional tour future employment will be decided upon by the Air Officer Commanding-in-Chief, R.C.A.F. Overseas, in consultation with the appropriate R.A.F. authority. The number of such tours to be served in India before return to the United Kingdom in any particular case will depend upon the availability of replacements and operational expediencies.

Such tours of duty for aircrew personnel are as follows:

(a) Operational: A tour of operational duty presently expressed either as a number of sorties or as a number of operational hours flown will, irrespective of the theatre of war in which the tour is served, remain as at present constituted, subject to the overriding time limitation of eighteen months or such shorter period as may be in effect in the command concerned.

(b) Non-operational or instructional tour for ex-operational personnel: The duration of the instructional tour will be twelve months or such shorter period as may be in effect in the command concerned.

(c) General: The tour of duty outside of Canada for R.C.A.F. aircrew personnel will not exceed three years reckoned from the date of departure from Canada until embarkation upon relief.

R.D.F. personnel: The normal tour of duty outside of Canada, including India, for R.D.F. personnel of the R.C.A.F. serving with the R.A.F. shall be three years computed from the date of departure from Canada. Priority in repatriation where possible will be given to those R.D.F. personnel serving outside the United Kingdom.

Ground crew personnel: The tour of duty of R.C.A.F. ground crew attached to the R.A.F. and serving in India is indefinite, depending upon the availability of replacements and operational expediencies as may be determined from time to time by the Air Officer Commanding-in-Chief, R.C.A.F. Overseas.

The hon. member for Halifax (Mr. Isnor) asked why it was necessary to transfer the "Y" depot to Lachine.

Owing to the extreme shortage of civilian accommodation in Halifax, Nova Scotia, it was

necessary that as many service personnel as possible, living in civilian accommodation, be moved into government quarters. Personnel of the Royal Canadian Navy made up the majority of service personnel living in civilian accommodation and there was no naval accommodation available to house these personnel. Therefore, it was decided to turn over the buildings occupied by the R.C.A.F. "Y" depot to the navy and move the R.C.A.F. "Y" depot personnel to a new location. Priority was given to naval personnel in this regard as it was esential that they remain in Halifax, whereas the R.C.A.F. "Y" depot could be accommodated elsewhere with no loss in efficiency.

He also asked, was the transfer justified in view of extra cost in transportation to R.C.A.F. and personnel of the R.C.A.F. The answer is: The transfer of the R.C.A.F. "Y" depot to Lachine was justified inasmuch as Lachine, P.Q., was a more strategic location for an embarkation depot, permitting the overseas shipment of personnel from the American north Atlantic ports as well as the Canadian north Atlantic ports without increasing the travelling distance of the overseas drafts. The utilization of American north Atlantic ports was, of course, impossible prior to December 7, 1941, and hence Halifax, the largest Canadian north Atlantic port, was the most suitable location when R.C.A.F. "Y" depot was first formed prior to the entry of the United States of America into the war.

The hon. member for Halifax (Mr. Isnor) asked: Are facilities through New York as good as or better than through Halifax?

Answer: With the numerous rail lines converging on the port of New York and the extensive terminal facilities available there, that port is considered equal to Halifax for embarkation purposes.

(2) Is New York embarkation as efficient as Halifax?

Answer: Yes; embarkations of air force personnel at New York are supervised by air force embarkation staffs and are as efficient as Halifax embarkations.

The following question was asked of the minister: Can Canadian nationals now serving in the R.A.F. as groundcrew be transferred to the Royal Canadian Air Force?

Answer: Yes, under the conditions and subject to the restrictions laid down and agreed upon by the governments of the United Kingdom and Canada as tabled in the house.

The hon. member for North Battleford (Mrs. Nielson) and the hon. leader of the opposition (Mr. Graydon) asked a question with regard to the pay and allowances of the members of the women's division.

Answer: (1) Responsible officers of the three services have given very full consideration to this question and they are of opinion that the principle of equal pay for equal duties is fully recognized in the present pay arrangement.

(2) Men and women may be equally useful in the trades sphere, and indeed we recognize that they are by granting the same additional and trades pay.

(3) It is only in the basic rates of pay that women receive four-fifths of the rate of pay for men. Service authorities do not consider that women can perform the same duties as men, because in event of enemy attack the men must man guns and meet the enemy in combat. Wherever there has been possibility of enemy attack, the male ground personnel have been instructed in combat duties and detailed to defence posts.

(4) In the United Kingdom, the women's forces receive approximately two-thirds of the rate of pay for men, including trades pay. We have placed our women comparatively on a much higher level of pay.

The following questions were asked with regard to aircrew messes:

(1) Why do they eat separately?

(2) What is ration scale compared to ground?

(3) Size (capacity).

The answers are as follows:

(1) Accommodation for aircrew messes, where all aircrews, regardless of rank, take certain meals together during periods of operational duty, has been established at the following units in Canada and Newfoundland (in many cases this accommodation is arranged for in existing messes): Yarmouth, Sydney, Gander, Dartmouth, Torbay, Goose Bay.

(2) These special messes are provided for crews of squadrons that are engaged in long operational patrols. Crews of these squadrons are, by the nature of their duties, required to be absent from the units for long periods and therefore some special arrangement regarding their meals is essential. As a rule these crews, officers and other ranks, have a very early breakfast together at the unit. This provides arrangements for all personnel entitled to special rations to be messed together and centralizes the preparation of foods to be consumed aboard aircraft, as these crews take with them food for frequent light meals during the day, such as hot drinks, soups, fruit juices, sandwiches, et cetera. Frequent feedings are

recommended to delay the onset of fatigue and maintain efficiency. On their return late in the evening, after the normal supper hour at the unit is over, these crews are fatigued and hungry and are given a hearty evening meal.

(3) Special rations have been provided for aircrew on operational duty for consumption during flight when absent from their unit during meal hours and also to provide for meals served at irregular hours in the aircrew mess. These rations include the ordinary ration normally supplied to groundcrew with the addition of increases of such items as fresh milk, fresh meat, fruit juices, sugar, tea, coffee, butter, and also includes other foods, such as canned soup, canned beef stew, cooked meats, canned vegetables and canned fruits.

(4) Size and capacity of such messes is determined by the number of squadrons engaged in operational duties from the unit.

(5) These messing arrangements apply only to operational units. At training stations three messes (airmen's, N.C.O.'s and officers) are in use.

The following questions were asked with regard to transportation:

(1) Has any change occurred in the situation regarding free transportation for troops on leave?

(2) What is the present situation?

The answers are as follows:

(1) Yes, since the last session of parliament, arrangements have been made whereby repatriated casualties and ex-prisoners of war are provided with free transportation to their homes.

(2) (i) Repatriated casualties and ex-prisoners of war are provided with free transportation to their homes.

(ii) Other personnel may purchase a round-trip ticket for one-third of the cost of a single fare on the following occasions:

(a) On anual leave—limited to one such purchase per leave year.

(b) On embarkation leave.

(c) On disembarkation leave.

(General): The cost of special leave warrant issued to personnel under the circumstances referred to in (a) (b) and (c) of paragraph (ii) answer 2 above, is proportioned as follows:

One-third of the cost is borne by the government; one-third of the cost is borne by the railway company concerned; one-third of the cost is borne by the personnel.

Under these arrangements, the annual cost of the government is estimated to be as follows:

In the case of	
(a)	$1,454,500
(b)	415,200
(c)	26,000
Total	$1,897,700

If the government absorbed that portion at present borne by personnel and the railway company continued to absorb one-third of the cost, it is estimated that the cost to the government would be as follows:

In case of	
(a)	$2,909,000
(b)	830,400
(c)	56,000
Total	$3,795,400

The additional cost, therefore, would be $1,897,700.

The hon. member for Vancouver North (Mr. Sinclair) asked a question with regard to R.A.F. warrant officers serving with R.C.A.F. overseas stations. The answer is as follows:

R.A.F. personnel serving with R.C.A.F. overseas stations or units are paid from air ministry funds on the basis of R.A.F. regulations. It is considered that the R.A.F. would have very strong objections to personnel of their service in the United Kingdom being paid at other than R.A.F. rates, particularly in view of the invidious comparison which would arise between such personnel and other R.A.F. personnel serving at R.A.F. units in the surrounding area.

The hon. member for York South (Mr. Noseworthy) asked a question with regard to educational service in the units. The answer is lengthy. I think hon. members would like to have it on *Hansard*, and I shall therefore, read it:

The provision of opportunities for service personnel to continue their formal education was made in the early days of the war. The Caandian Legion educational services provided correspondence courses at high school and university level for service personnel. Tutorial classes and lectures in any subject for which there was a demand were also arranged. It was gradually realized, however, that the educational needs of service personnel could be met most adequately only if there was organized within the R.C.A.F. an educational branch. Therefore, in March, 1942, the R.C.A.F. undertook to provide education officers throughout the service. Appoint-

ment of education officers was accordingly made at all R.C.A.F. units and stations whose size warranted such action.

The R.C.A.F. educational branch now offers the following services:

Unit education officers. Almost all units of any size now have an education officer. At others there is an officer who devotes part of his time to educational duties. This applies in the case of elementary flying training schools.

The education officer on a unit or station has many duties. Among them are the following:

(a) To advise the commanding officer on all matters relating to educational services.

(b) To ascertain the educational needs of all personnel on the unit and advise such personnel with regard to educational facilities.

(c) To make appropriate recommendations regarding the educational qualifications of all personnel who desire to remuster to aircrew. To administer the necessary classification tests in this connection.

(d) To organize educational courses, trade improvement classes, progress of war study and tutorial classes as may be necessary.

(e) To advise personnel with regard to educational facilities available through the Canadian Legion educational services and to supervise all examinations in connection with educational activities on a unit.

(f) To give progress of war lectures to aircrew trainees in accordance with the syllabi of training.

(g) To organize the station library.

(h) To assist the commanding officer in organizing discussion and study groups in current affairs and progress of war.

Pre-aircrew education. At most units where there is an education officer, ground personnel who desire to remuster to aircrew and who lack the required educational qualifications are given the necessary courses organized on the unit by the education officer. To date nearly 11,000 airmen have remustered to aircrew.

A large number of personnel who enlist for aircrew duties are qualified in all respects except education. Pre-aircrew training schools have therefore been organized under the war emergency training plan at fifteen points across the dominion for these aircrew trainees. These schools are operated by the dominion Department of Labour and the educational services of the R.C.A.F. have complete responsibility for direction and supervision of training. The schools give courses ranging from six to sixteen weeks and give preliminary training to prospective air gunners, wireless air gunners, pilots, navigators, flight engineers, air observers, air bombers. The subjects studied are science, mathematics, English, signals, aircraft recognition, drill and P.T. and progress of war.

In addition to these fifteen pre-aircrew W.E.T.P. schools there are eight university R.C.A.F. detachments across the dominion. The courses offered vary from six to sixteen weeks in length according to the aircrew category of the trainee. The subjects studied are the same as in W.E.T.P. schools.

To date 22,604 aircrew trainees have graduated from W.E.T.P. schools and pre-aircrew education detachments.

Progress of war. It is recognized nowadays that modern mechanized warfare requires not only technical training and skill but also a high standard of general information and intelligence. The strains of modern warfare can best be endured by men who know actually what they are fighting for and what they are fighting against. To meet this need the R.C.A.F. has organized a progress of war programme which consists of two main types of activities:

(a) There is a programme of progress of war lectures and discussion for pre-aircrew and aircrew trainees. Definite training time is allotted and the programme to be followed is outlined in the various training syllabi. Progress of war lectures in training time are included in the syllabi for pre-aircrew, I.T.S., E.F.T.S., S.F.T.S., air gunner and navigation schools.

(b) Discussion groups and lectures are organized for all personnel. The organization of discussion groups for all officers, airmen and airwomen at all R.C.A.F. units and stations is the responsibility of commanding officers.

(c) Basic material for discussion groups is provided in the publication *Canadian Affairs* which is published twice monthly by the wartime information board in cooperation with the directors of education of the three armed services. It is distributed in Canada and overseas. The aim of *Canadian Affairs* is to keep service personnel informed with regard to significant social and economic developments in Canada with special attention to the effects of the war. Questions for discussion and comment have been included and a resume of news of the home front has been given in each issue.

In connection with progress of war activities, every effort is made to employ films to the best advantage. Film libraries are established and all commands and the command education officer is responsible for organizing film circuits for all units. The selection of suitable films dealing with the background

of progress of war is made at air force headquarters.

The object of the discussion groups scheme is to make all ranks of the R.C.A.F. better acquainted with the high ideals for which the war is being fought; with the important and responsible part which they must play in order to hasten the day of victory and with the possibilities which the post-war work holds for the ordinary man and woman; in a word, to make them more effective members of the air force community to-day and better citizens of the world to-morrow. The scheme should thus contribute materially to the general keenness and efficiency of the service and should counteract any tendency towards slackness or apathy which there may be, particularly among those whose duties are monotonous or seemingly unconnected with active operations against the enemy.

Trade improvement. The technical efficiency of all personnel in ground trades is a matter of vital concern to the service. For this reason trade tests are given at regular intervals, to facilitate advancement and correct grouping of members of the service. It is the duty of the education officer on the station to organize classes for ground crew personnel who have not reached their maximum trade proficiency. The educational services of the R.C.A.F. have provided manuals for students and instructors covering various trades in order that trade improvement classes may be organized in the most effective manner. The best teaching techniques are carefully outlined and every effort is made to organize instruction and material in such a manner that the student and instructor may derive the most benefit. Manuals have already been issued in such trades as aero-engine mechanics, airframe mechanics, equipment assistant, clerks, wireless mechanics and wireless operator, motor mechanics (mechanical transport), manual for seamen, welders and metal workers, and machinists.

Additional manuals are prepared in other trades as the need for them becomes apparent. Trade improvement classes have contributed materially to the high efficiency of R.C.A.F. ground personnel.

Self-improvement classes. This term covers a great variety of educational activities. There are service personnel who wish to use their spare time for the improvement of their academic standing. Such personnel may enroll for matriculation or university classes in nearby educational institutions. The latest educational reports from stations indicate that personnel are studying such subjects as mathematics, history, French, Spanish, German, Russian, economics, psychology, chemistry and bacteriology. This work is carried out under the necessary arrangements with the educational institutions. In many cases he also gives tutorial assistance and organizes station classes in academic subjects.

Other personnel are interested in the following commercial courses such as typing, shorthand, and bookkeeping. Here again the classes may be organized on the station or the personnel may enroll at nearby commercial schools.

Still others are interested in improving their technical knowledge and ability. Arrangements have been made for these to enroll in technical schools in the vicinity of their units in order to follow courses in such subjects as welding, carpentry, electricity, motor mechanics, plastics, diesel engineering, mechanical drawing and so on.

Unit education officers are giving particular attention to the provision of worth-while educational activities for W.D. personnel and at many stations throughout Canada W.D. personnel are taking part in courses such as the following: Cooking and home making; clothing and home management; art; dramatics; music and singing; current events group; language groups.

In addition to the more formal courses outlined above various handicraft groups are being organized on the stations. This programme has been particularly valuable from the point of view of morale and of self-improvement.

At present there are well over 7,000 personnel who are making constructive use of their spare time in academic, business or technical courses or in participating in handicraft work or in some other similar line of activity.

Correspondence courses. Unit education officers have enrolled over 10,000 personnel in correspondence courses at high school and university level who desire to continue their formal education. The correspondence course work of these personnel is often supplemented by the organization of tutorial classes at units.

Libraries. Station libraries are proving to be a very necessary supplement to the various educational activities of the units. The unit education officer is chiefly responsible for the organization of station libraries.

The educational services of the R.C.A.F. are endeavouring to meet the following objectives:

(a) To advance the skill and raise the technical efficiency of those who are already engaged in a particular trade in the service.

(b) to assist those who wish to learn a new trade, or fit themselves for a better post-war vocation.

(c) to assist those who wish to continue their general or professional education.

(d) To promote intelligent interest in the war.

To the extent that the above objectives are met, R.C.A.F. personnel will be the better equipped to carry out their duties, in the service, and as citizens in time of peace.

A course in English, twelve to sixteen weeks duration, is provided at No. 1 manning depot, Toronto, for French-Canadian trainees, to give them greater facility in the use of the English language and thus enable them to take the subsequent service courses of training. In the course of English emphasis is placed on the technical vocabulary of the various ground and aircrew trades. The school of English also provides the trainees with a course in progress of war and current events.

To date over 7,000 French-Canadian trainees have graduated from the school of English.

No. 1 ground instructor's school was organized in August, 1943, for the training of ground instructors in classroom techniques. Over 300 ground school instructors have already taken the course, which is of three weeks' duration, and it is considered that this school has contributed materially to the efficiency of ground school instruction at training schools.

Mr. SINCLAIR: I do not think that is a satisfactory answer to my question about R.A.F. personnel. I asked whether the government had given consideration to paying R.A.F. personnel who are serving with R.C.A.F. squadrons at R.C.A.F. rates of pay. The answer I got was that it was considered that the R.A.F. would think it invidious to have R.A.F. personnel in Canadian squadrons drawing more than their personnel with R.A.F. squadrons. I suggest it is not as invidious a position as that of the R.A.F. squadron leader who commands a Canadian squadron and who has to learn that the commander of the squadron receives less than the flight-lieutenant, less than the flying officer, less than the pilot officer, less than the flight-sergeant pilot, and just a little more than the sergeant pilot. The Royal Navy does not think it invidious to let the Royal Canadian Navy pay Royal Navy personnel on Canadian ships at Canadian rates. Has the R.C.A.F. suggested directly to the R.A.F. that, since they are taking the full cost of R.C.A.F. squadrons, they are willing to pay these R.A.F. personnel at R.C.A.F. rates of pay?

[Mr. Macmillan.]

Mr. POWER: I did not suggest it directly. I did mention it in the course of conversations, but I would not be particularly keen to do it at the present time.

Mr. SINCLAIR: The question is not very important so far as Canadians in the R.A.F. are concerned, because they are going to be transferred. But my appeal, made a few days ago, was one for the airmen. We are using these airmen. We are taking them on, because they are good key men. Why should these two warrant officers in the squadron about which I spoke lead that crew at the pay of a corporal? I do not like to hold up the other services as a model for my own service, but in this instance I believe the Royal Canadian Navy is to be commended upon accepting these chaps as Canadians.

Mr. POWER: My hon. friend will remember that practically all the R.A.F. men serving in Canada are paid at R.C.A.F. rates of pay.

Mr. SINCLAIR: I understand that.

Mr. FRASER (Peterborough West): Before the war a number of our boys went overseas and joined the R.A.F. At the present time they are not considered eligible for the Canadian volunteer medal. They feel they are slighted in that regard, and that they should be entitled to it. Has the minister considered the point?

Mr. POWER: This is the first time I have heard of it, but I shall be glad to look into it.

Mr. FRASER (Peterborough West): I have talked with a number of those boys, and have received a number of letters. This is a paragraph from one:

> It seems very unfair to me that fellows like myself who went overseas before the war to join the British service are not considered as Canadians and volunteers and are therefore not eligible for the Canadian volunteer medal.

He goes on to say:

> I hope you will urge for some similar medal for Canadians. And there are many who volunteered for service before the war when things looked very black at the time of Munich. In our town alone there were—

A number of boys—

—who joined the R.A.F. before the war.

He states also that those who joined the Royal Navy and the British army should be considered. There is some merit in that suggestion.

Mr. POWER: My understanding is—and frankly, I speak subject to correction, because I do not know much about it—that the volunteer medal is entirely a Canadian medal. I have some doubt as to whether a man serving in another force would be entitled

to put it up. However, I am not sure about that. Perhaps the hon. member for Royal would know more about that than I.

Mr. FRASER (Peterborough West): Could there not be another kind of medal for those boys, similar to the Canadian volunteer medal?

Mr. POWER: I would have some difficulty in explaining how the Canadian government could strike a medal for the use of people serving in other forces. But if it can be done, I would have no objection.

Mr. FRASER (Peterborough West): These boys are still Canadians.

Mr. POWER: I understand that; but the question with me is whether the other services would allow them to put it up. However, I do not mind looking into the matter.

Mr. FRASER (Peterborough West): Does the minister not think the suggestion has some merit?

Mr. POWER: So far as I am concerned it does not matter to me at all. I shall look into it.

Mr. SINCLAIR: All Canadians in the R.A.F. will get the general service medal, 1939-43, from the British government, which they would not have got had they stayed in Canada. Most of them are prouder of the fact that they wear the Canada badge on their shoulders than they are of the service medal. That shows that they are Canadians.

Mr. FRASER (Peterborough West): I think they would also like to have the volunteer medal.

Mr. BROOKS: I believe it was stated that it was considered invidious for Canadian airmen in the R.A.F. to receive more pay than R.A.F. personnel received. My understanding is that we are sending about 1,500 army officers to the British army, and that they are to receive Canadian pay. Frankly I do not see how it would be more invidious for the airmen to receive such pay than for the army. I believe there should be some co-ordination between the air force, the army and the navy in matters of this kind; if one receives a certain rate of pay, they should all receive the comparative rates.

Mr. POWER: These are men who are in the R.A.F., and who now have the opportunity to transfer, if they like, under certain circumstances. If they prefer to stay in another service, and then ask us to pay them in another service, I think my friends in the treasury might object. On the other hand the men about whom the hon. member for Royal has spoken are Canadians who have been lent to the imperial army, in the same way as a good many R.C.A.F. men have been lent to the R.A.F. Canada pays their full salary, of course.

Mr. BROOKS: The fighting, it seems to me, is the same, and the service is the same. No doubt the responsibilities these men have taken are the same. Those are factors which should be taken into consideration perhaps more than some which have been mentioned by the minister.

Mr. GILLIS: I asked a question on Friday respecting Canadian nationals in the R.A.F. subject to income tax.

Mr. POWER: I remember that question. I was astonished when my hon. friend stated in the house that the Americans—or perhaps it was not my hon. friend who said it—who had transferred from the R.A.F. back to the American force were reimbursed the amount of the income tax they had paid into the treasury of Great Britain. My hon. friend was not quite clear as to whether the reimbursement was made by the American government or the British government. I learned afterwards—I believe from the hon. member for Vancouver North—that the British government had done it.

Mr. SINCLAIR: When they joined they were promised that it would not be deducted. They were promised that in America before they went to England.

Mr. POWER: I see; that is another story. I am informed there has been no approach made by the British treasury to repay those Canadians any income tax they may have paid the British treasury. That is as far as I have got. It will involve communication with the other side to get further information. If it is not a fact that the British government are going to consider reimbursing these men, then that will involve a diplomatic approach on my part to our treasury.

Mr. GILLIS: What I am concerned about is whether the minister's department intends to make that representation. My information on the United States angle—I do not intend to elaborate this—comes from Canadian nationals in the R.A.F., and I think it is authentic.

Mr. POWER: I do not know just how it was worked, whether the United States government reimburse these men for income tax paid to the British treasury or whether, as the hon. member for Vancouver North says, the arrangement was that where Americans enlisted in the R.A.F. they were not to be

subject to British income tax. If that is a fact, naturally the British treasury would reimburse them.

Mr. BENCE: Is the minister or his parliamentary assistant in a position to give us some information with regard to retirement of members of the permanent R.C.A.F.? I notice the minister answered a question asked by the hon. member for Vancouver North, but I do not know just what information was given. I asked a question the other evening in connection with the retirement of high ranking officers. I wanted to know what rank they held when retired, what rank they held at the beginning of the war, what pension is being paid, some indication of the ages of these men and whether they are capable of carrying on similar work or whether their health is so much impaired that they would be of no further service.

Mr. POWER: Nine permanent officers have been or are being retired since the beginning of the war. I may say that the retirements were not based on health.

Mr. BENCE: What were their ages?

Mr. POWER: Their ages ran around fifty years. In the statement I gave I said it was proposed to retire men who were comparatively young. As I said, there is a thick ceiling of comparatively young men at the top. Through no fault of their own, these men have not been able to see active service, and it was hoped that men who had seen active service would gradually get to the top as they returned from overseas. I do not mean that men necessarily will be retired in order of age, that a man of fifty-one or fifty-two years of age who is an air vice marshal will be retired and a man of forty-nine years of age take his place. It may be that a man of fifty-nine years of age will be retired before a man of fifty-two years of age, not necessarily because his services are not satisfactory but—I think the country will agree with me in this—because it is imperative that we show these young men that there is a way through this ceiling by which they can get to the top. That is the general policy.

The pensions they receive are quite reasonable amounts. I have not the details, but they run from $4,500 to $5,500 per year. These are contributory pensions under the Militia Pension Act, which has been in effect for some thirty or forty years. There is no great hardship involved in retiring these men, although my hon. friend has raised a point in that connection. For some considerable time the treasury may have to pay fairly high pensions, but I do not think the air force should be asked to keep these men in positions where younger men will not be able to come forward. It is part of the pension scheme under which they enlisted. It may be a little expensive for the country, but I suppose the country will have to put up with it for the good of the service generally.

Mr. BENCE: It all depends upon how rapid their promotion was during the last four years.

Mr. POWER: Promotion was exceedingly rapid, but you cannot have the expansion of a force from 4,000 to 200,000 without having rapid promotions. You must give men ranks called for by their increased responsibilities. A man who in peace time may have been in charge of ten or twenty men, would probably be in charge of from 2,000 to 3,000 men now. A man who was in charge of an equipment depot of $100,000 worth of goods, will now be dealing with an equipment depot with $100,000,000 worth of goods. Responsibilities increased as we expanded, and these men necessarily obtained promotions. As I said in my statement, rapid expansion means rapid promotion, rapid promotion brings its own penalty of early retirement.

Mr. BROOKS: Does the same principle apply to the army and navy?

Mr. POWER: I understand the army beat me to it.

Mr. BROOKS: Good for them. It is the first time they have done it.

Mr. POWER: The Minister of National Defence stated that in the house. They have been doing it for eight or ten months.

Mr BENCE: Could the minister give us any information as to how many high ranking officers over the age of fifty-five years have been retired?

Mr. POWER: Very few; I do not suppose there would be ten. I have a copy of the answer that was given to-day. The question asked was:

> How many officers of the R.C.A.F. of air rank have been retired since September 10, 1939. (a) of the permanent force; (b) of the auxiliary force; (c) of the special reserve?

The answer given was:

> (i) One officer of the permanent force.
> (ii) Three permanent force officers presently on retirement leave—two retirements effective in June and one in July of this year.
> (iii) Five permanent force officers whose retirements have been authorized but not yet promulgated.

There seems to be an idea that it is only permanent force officers who are to be retired, and that idea seems about to be made into a

grievance. In addition to the permanent force officers, there was a large number of officers who entered the force at the beginning of the war. These were men of considerable experience in business and the professions; they were lawyers, engineers and so on. Some of these men have risen rapidly, but few of them are receiving the salaries which they would have enjoyed in civil life. Some came from prominent positions in the business world. These men have done a wonderful job, as the hon. member for Spadina has stated. They have been doing administrative work, since they were too old to go overseas to fight in squadrons. Early in my administration I passed regulations by which no one of aircrew age and fitness could enter the air force as an administrative officer. That is to say, if a man was under thirty-two years of age, no matter what his experience may have been as a lawyer or in any other profession—the exception was the medical profession—he could not get a commission. Therefore we had these men of experience in business who became administrative officers, and they have done a marvellous job in the expansion of our force. No one can say that their work has not been as patriotic and as helpful as that of other men in our own force or in other forces. They have now trained younger men to take their jobs, perhaps men who were in the permanent force and who are going to continue in the service after the war. I should like to state publicly that if any of these men feel that they would like to return to their occupations in civilian life, unless they are essential key men I will put no obstacle in the way of their retirement. Already that has gone forth through the services and quite a few officers, some N.C.O.'s in the higher categories whose firms require their services, are asking that they be allowed to retire. We are allowing them to do so and thanking them for the great services they have rendered.

Mr. ADAMSON: Do they receive any retiring allowance?

Mr. POWER: They will get the rehabilitation grant and whatever war service gratuity is given, of course.

Mr. ADAMSON: Even for those who retire voluntarily?

Mr. POWER: I am not quite sure that that point has been straightened out as yet.

Mr. ADAMSON: The army does not do it.

Mr. POWER: We do not do it yet, but I think it will be arranged that we shall, very shortly.

Mr. ADAMSON: I understand that anybody in the air force who is seriously wounded and sent back to hospital in Canada gets the pay of his rank until he is either sent back to duty or discharged to civilian life.

Mr. POWER: If he is discharged to Pensions and Health, he comes under Pensions and Health regulations.

Mr. ADAMSON: The air force has the same regulations as the army in that matter?

Mr. POWER: Absolutely.

Mr. MacNICOL: On comparing the typewritten list of probable cash requirements for 1943-44 and estimated requirements for 1944-45, with the details for air services given on page 394 of *Hansard* of February 11, 1944, under the war appropriation, I find that the figures of probable expenditure for 1944-45 on the typewritten list and in *Hansard* tally, but that the figures on the typewritten list of probable expenditures for 1943-44 are not in any particular similar to those given on page 394 of *Hansard*, the difference amounting in the aggregate to about $60,000,000.

Mr. POWER: I think I know the reason, but I will have the officers of the department come down to help me explain. There was a revision of the estimates as first brought down. I am not sure whether that came between February 11 and February 25, but I shall be glad to have the officers look into it, and then answer my hon. friend.

Mr. GREEN: What is the policy of the government with regard to the use of the Royal Canadian Air Force in the war against Japan? There has been very little said on that subject in the discussion of these estimates. I notice that on March 2 the minister said, at page 1067 of *Hansard*:

> There would be the problem of shifting personnel from one theatre of war to another when we go toward the Japanese theatre and so on.

It would be interesting if the minister would tell the committee whether the air war on the Pacific so far as Canada is concerned is to be a defensive war until Germany is beaten, or whether there is some idea in mind of Canada taking part in the air war there in the meantime. I should think it would be wise to give at least some of our airmen training in fighting against the Japanese. Would the minister explain the situation?

The CHAIRMAN: Order. We have passed item 1, on which a general discussion was allowed, and we are now on item 2, pay and allowances.

Mr. POWER: I will answer the question anyway, Mr. Chairman.

Mr. GREEN: I submit, Mr. Chairman, that the men on the Pacific coast will have to be paid, so that I think my question is pertinent. This item is for pay and allowances.

Mr. POWER: Canada will be in the war against Japan until the very end. I am no strategist and cannot tell my hon. friend just what part we are going to take in the war on the Pacific, but we are going to shift from the European theatre to where we can do the most harm against Japan at the proper time.

Mr. GREEN: Are steps being taken to give our airmen training in the warfare against Japan?

Mr. POWER: Steps are being considered along those lines, if that will satisfy my hon. friend.

Mr. GREEN: The minister on March 2 asked for suggestions with regard to what should be done towards helping our airmen take their places in civilian life. It just so happened that over the week-end one or two airmen were speaking with me and made certain suggestions. They said that even instructors on the stations in Canada have very little information about the government's rehabilitation plans. We all know that certain publications have been issued giving a summary of what is proposed, but apparently these are not being distributed on the stations at all. These lads suggested that it would be very helpful if such publications were distributed, and if the men on the stations were asked for their suggestions, as they are the ones most vitally concerned, and apparently have been giving great thought to this matter. It would be helpful if they knew just what the government's plans are.

Another suggestion was that some attempt should be made to find out how many of the airmen would be willing to serve in the air force after the war; that is, to join the permanent air force. Apparently quite a few would be glad to do so, but I am told that no attempt has been made to find out just what proportion would like to do that. Inquiry should also be made as to how many would be willing to serve for six months, say, or a year, after the termination of hostilities, the understanding being that they would not thereby lose their privilege of taking vocational or university training once they had been discharged. These lads seemed to think that it would be very helpful if the minister could get that information. I notice that in the committee on reconstruction and reestablishment the suggestion was made on February 23 that there would be from 135,000 to 150,000 men in the armed services, including munitions and equipment factory workers, after the war. I do not know whether the air force have made a rough estimate of how many will be required in that service, but it looks as though the number will be quite large. I think it would be well worth while for the minister to have inquiries made among his air force personnel to find out what proportion are interested in staying in the force.

Mr. POWER: Replying to my hon. friend's first question with regard to rehabilitation, as he knows, that is a matter for Pensions and National Health. I understand that Pensions and National Health have set up a public relations office and that they are now in the process of distributing as widely as possible all the information dealing with rehabilitation to civilian life.

In reply to the second question, one at least of our service papers, *Wings*, has been giving explanations of the rehabilitation programme. I have a copy here of an article in *Wings*, headed "Fighting for the Future. What do I do when the war is won?" This is in *Wings* of March. I know there was something in the issue of February, and also, I believe, in that of January, about return to "civvies." The Minister of Pensions and National Health says that about 100,000 copies of this little blue book were distributed.

Mr. GREEN: Are they distributed among the forces?

Mr. POWER: Among the forces overseas, yes.

Mr. GREEN: And in Canada also?

Mr. MACKENZIE (Vancouver Centre): If I may answer the question, a new one is being got ready and will be sent to all next of kin in Canada. It is a little more comprehensive than the other.

Mr. POWER: In one of our service papers —I think, *Contact*, published at Trenton— there was a kind of Gallup poll as to what the boys wanted to do after the war, and I am told that fifty per cent thought they would like to stay in the service. So that to the extent of the Gallup poll, at least, they have been consulted. As to what the strength of the air force will be after the war, as my hon. friend knows, we are studying the matter, but so many factors enter into the question of the strength and nature of the armed forces of Canada after the war that I should be reluctant to make any pronouncement. I know that we shall keep a certain number for the occupational phase of Europe, a number for the policing of Europe if Canada decides to participate in it, and a large number will remain in Europe,

[Mr. Power.]

or wherever they may be, for quite a while after the Germans fold up, because there will not be shipping to bring them back. That will be one of our troubles. I do not think there is any prospect of an extremely hasty demobilization, at least of the people overseas.

Mr. GREEN: Would it be wise to establish more operational training units in Canada than there are at the present time? Apparently a good deal of that work is done in Great Britain, and the suggestion has been made that it might very well be done in Canada.

Mr. POWER: On various occasions we have thought of it, and we are doing some, but our great difficulty has been to get operational aircraft for operational training units, because all this class of aircraft is wanted directly for fighting the enemy. As my hon. friend knows, we have several operational training units in Canada.

Mr. ROSS (Souris): What policy is followed in the selection of training personnel? The minister has stated that some of the senior administrative officers are being retired to make room for younger officers who are coming along. Is any policy of that nature in effect for the selection of training personnel in this country?—as, when a class graduates, so many go overseas, so many are selected for training. Is there at this stage of the war any policy under which those who have had actual experience in foreign lands have the opportuuity of coming back as training officers? If so, what is the policy?

Mr. POWER: That gives me an opportunity to answer the leader of the opposition. In operational training units, instructors must be men who have had operational experience—actual experience in contact with the enemy. In our arrangement with the United Kingdom government in 1942, when we decided to open operational training units here, we asked that all those who were sent here as instructors of our operational units should be Canadians, and they have to a certain extent followed out that policy; but that, also, has its difficult side. Some who come back here to our operational training units will in due course go to training units which are not operational. But we have made arrangements whereby most of the operational training units are up close to the front line. We shall never be able to get away from that. As a man returns from his first operational tour he is sent back for a tour in an operational training unit, because they want to use his very latest experience in the front line. The result is that a good many of our Canadians as soon as they finish their operational tour must do a tour of what is called non-operational work, that is in an operational training unit, but it keeps them overseas a very long time before they return here. We have recently made an arrangement with the United Kingdom government whereby we shall retain in England, in the east, or in whatever theatre we maye be operating, a number of men who have done their operational work, their actual fighting operations, to work as instructors in operational training units, the number to be in proportion to the number of men we actually have in the front line of operations. Until recently the United Kingdom government just kept them Now we have reached a compromise whereby they will do their one tour of operations, one tour of instruction in operational training units, and then return to Canada.

Mr. ROSS (Souris): There is no such policy in mind for the schools in Canada other than the operational schools?

Mr. POWER: There is for the schools; but because these men are latest from the scene of operations, they must, after they have done their operational tour, go to an operational training school before they come back to another school. That is the general policy followed, and that is the policy we have agreed to.

Mr. ROSS (Souris): And there is as yet a lack of those officers for other schools in this country?

Mr. POWER: Yes, but as soon as we get them back they will have first choice of any instructional work. I may say that all of them do not like it. Even those who come back now are offered instructional work as soon as they get here.

Mr. GREEN: Have any of the Royal Canadian Air Force been trained in transport planes and the transporting of troops by air?

Mr. POWER: We are opening a transport O.T.U. next month in Canada.

Mr. CASTLEDEN: Would the minister give us some figures with regard to the number of non-commissioned officers, warrant officers and commissioned ranks who are prisoners of war, and what the policy of the department is with regard to granting promotions to these men after they are prisoners of war? Is there any difference in automatic promotions as between warrant officers and N.C.O.'s and commissioned ranks?

Mr. POWER: I am not sure I have that information here. I have not got it broken down. The total number of officer prisoners

of war appears to be 363, and the total number of N.C.O.'s, 847. I know that we have a policy developed on that, and I know the general lines of it, but I should prefer, if my hon. friend will wait until this evening, to give him then the policy more specifically.

Mr. MACDONALD (Brantford City): When the minister gives that information will he also inform the committee as to the method of granting commissions? We have discussed this in previous years under the estimates of the Department of National Defence. I was one of those who suggested that all members of aircrew should be commissioned—not that I believe in that in principle, but because so many commissions had been granted that I felt, as did others, that there should be a general granting of commissions to members of aircrew. If I remember correctly the method adopted in Canada in 1940 was to grant commissions to one-third of those who graduated and subsequently to grant commissions to seventeen per cent more when they got overseas; that is to say, fifty per cent of each class graduating in Canada eventually received commissions. In 1942 there was a change made, if I remember correctly, and all pilots, observers, navigators and air gunners who were considered suitable according to the standards of the government of Canada, and who were recommended by their commanding officers, were commissioned. I think the standard set in Canada was sixty per cent for each subject and seventy per cent in all during training operations; that is to say, a young man taking a course as a pilot in Canada would have to receive sixty per cent in each subject and seventy per cent on his total in order to get a commission on graduation. I approve that method because it sets a standard toward which a man can strive while he is taking his training. But I do not think those who do not succeed in reaching that standard during their training should be deprived of ever getting a commission. I think they should still be considered as worthy of commissions after they have proven themselves in the air. I believe they should still be allowed to strive for a commission, and I hope that when the minister replies he will tell the committee whether opportunity is given to those who do not attain to sixty per cent or seventy per cent during their training to obtain commissions later on.

Another matter I should like to bring to the minister's attention is the question which was raised by the hon. member who spoke with regard to granting commissions before I rose to speak. I refer to the question of men who are taken prisoners. Do the enemy recognize commissions which are granted after a man has been taken prisoner? Suppose he were not gazetted until some time after he had been forced down in enemy country, is the commission then recognized? As far as I am concerned I should like to think that all men who fly over enemy territory are commissioned, because without doubt they receive better treatment as officers than as non-commissioned officers.

The hon. member for Vancouver North, speaking the other day from his very wide experience, suggested that there should be a mess where all aircrew should dine and live together. I understood that that was so when they were in actual operations. He referred to certain messes in North Africa. I approve of that. I think it is only fair, but it does not meet the objection with regard to airmen who are forced down over enemy territory. They have not a common mess with officers who are prisoners of war. Nor does it meet the objection with regard to young men who have flown as sergeants or warrant officers probably on many, many occasions over enemy territory and who when they return to Canada are still non-commissioned officers and are not admitted to officers' messes. As long as there are two ranks, the non-commissioned officer and the officer, in aircrew, then I think we should extend the principle of a common mess where they can all live. It does not seem right that a young man who is a sergeant and has command of a plant when it is in the air—and in the same plane there may be a commissioned officer, who must take his orders from the sergeant while the plane is in the air—must, as soon as the plane comes to the ground, walk out after the officer and go to his own mess while the officer goes to his. They do not associate. I hope that the minister will be able to tell us that commissions are being granted to these men who in training do not get the standing required. I hope he will tell us that commissions are being granted to them after they have proven themselves to be officer material, after they have proven themselves to be good flyers, after they have had a number of operations over enemy territory.

Mr. POWER: The answer to the last question, of course, is yes. There is no bar to any man getting a commission. He may not get it immediately if he does not pass the required test, but he is certainly encouraged to proceed to a commission, to carry on useful work with every hope that he will obtain a commission even if he does not get it on graduation.

Mr. GREEN: Are any Royal Canadian Air Force officers being seconded for duty

with the military governments in occupied countries. I believe in that way some of those men, who would otherwise be retired, may render further useful service to Canada.

Mr. POWER: We have some following courses now, not very many.

Mr. GREEN: It is open to air force officers.

Mr. POWER: Yes.

Mr. FAIR: Are pensions paid to the wives and families of flying instructors killed in Canada?

Mr. POWER: Yes.

Mr. ADAMSON: I think Captain Balfour, Miinster for Air in Great Britain, said the other day that one-third of the fleet air arm was trained in the United States. Are we training any men for the fleet air arm?

Mr. POWER: Yes; we have two elementary and two service flying training schools training for the fleet air arm in Canada.

Mr. ADAMSON: We are not sending any of our men down to the United States?

Mr. POWER: These are all men who come here from the British admiralty under some kind of a R.A.F. contract. In other words, the R.A.F. have handed over part of their schools to the admiralty to train men for the fleet air arm. We deal with air ministry only.

Mr. ADAMSON: Are there any specific limits to the operational tours?

Mr. POWER: In answer to my hon. friend—

Mr. ADAMSON: How flexible is the arrangement?

Mr. POWER: I would prefer not to give it because it has been kept more or less as a secret.

Mr. ADAMSON: That is all right.

Mr. POWER: It is a secret that everybody on operations knows. It differs. The Americans have one criterion. There is one involving sorties in the bomber command. It is hours flown in the coastal command, and so on. It is a complicated matter, but it has been always marked "secret". I do not think there is any very great secret about it, but because it is marked "secret" when it comes to me I would prefer not to make it public in the committee.

Mr. COLDWELL: I presume that when R.C.A.F. personnel fly in R.A.F. units, the planes are provided by the unit?

Mr. POWER: Yes.

Mr. COLDWELL: I should like to endorse what the hon. member for Brantford City has said regarding commissions. He will remember that when we were in Great Britain over two years ago, we were approached by a group of young officers who pointed out to us how ridiculous it was that they were flying every day with non-commissioned officers and that as soon as they arrived at the bomber station they had to go to two different messes. The minister will remember that we made representations in this regard when we reached London, and I think, as a matter of fact, we made representations in this house also. I just wish to lend my support to the expressions that have been uttered in this house again this year along these lines.

Mr. POWER: I can report progress in the commissioning; we are getting ahead much better than we were. Offhand I can say that so far, out of some 32,000 who hold commissions in the air force, 25,971 persons have been commissioned from the ranks, which is not bad.

Mr. MACDONALD (Brantford City): How many officers are there in the air force altogether?

Mr. POWER: About thirty-two thousand. As hon. members know, when we started this training plan the procedure first followed was that the top thirty-three per cent of the graduating class obtained commissions, and that seventeen per cent more were to obtain commissions overseas. The first trouble that developed was that we had great difficulty in finding that other seventeen per cent, so that in the 1942 agreement with the United Kingdom we made arrangements under which these men could themselves apply to their commanding officers, and if their commanding officers did not agree that they were commissionable still they could go on and eventually wind up before a board at Canadian headquarters, where the standards of these men for commissioning would be judged by Canadians.

Then we thought the quota system was not satisfactory and we instituted the merit system, under which the number of points a man obtained on graduation would count, that number being sixty in each subject and seventy over all. That developed a far greater number of commissions than the quota system; in fact, in some classes it went up to eighty per cent, while in others it went down to twenty or thirty per cent, depending upon the calibre of the class; but no longer did it depend upon a certain quota. Then we ran into difficulties with the boys overseas who had not received their commissions. They

asked how it was that a lad just graduated would come over as an officer while a fellow who had been there for two years had not received his commission. That had the salutary effect of making us try to speed up the commissioning overseas, and I think we have been fairly successful in catching up with the backlog. There may be some who are still lost somewhere in the blue, or whose immediate commanding officers do not as yet understand the procedure. It has come to my notice that certain of our own lads who are isolated in R.A.F. units would make application and ask that their application be sent on to Canadian headquarters, but it took a long time for those applications to get there if they ever did get through. I must say that whenever we called the attention of air ministry to the matter they did not hesitate a bit in hauling their own people over the coals. That was largely because the commanding officer perhaps had never been made familiar with the agreement entered into between the United Kingdom and ourselves. I do not put it down to any ill-will at all; as far as I have been able to ascertain, now at any rate there is the best of good will prevailing between the two services. However, it is very difficult for a squadron leader in Burma or India or the middle east to know everything that is undertaken by way of agreement between the two governments. So that a large number—I do not know how many, but at least some—of our men have not as yet had their applications go through.

That is the number one backlog; that was the important thing we were trying to clean up, and I think we have cleaned it up fairly well. Then we applied the 60-60-70 ratio to all those who had graduated, no matter where they were, prisoners of war or anything else. We just looked over their marks, and if we found that they came within this ratio we promptly commissioned them wherever they were. That caused a little trouble for a while, too, but that has been cleaned up. So that the commissioning is on a pretty fair basis at the present time, though the ultimate for which a good many of us had hoped, namely, that everybody would be commissioned, has not as yet been reached.

Mr. MACDONALD (Brantford City): That is, all aircrew.

Mr. POWER: Yes; but I would be deterred from putting that into effect at the moment because it would be so difficult. If we were to say now that everyone would be commissioned on graduation we would still have that backlog of boys who have done good service overseas, whom we have not been able to find and whom perhaps we could not commission; or perhaps we might have some who had done very good service but had deteriorated since then so that we could not by any means give commissions to them. Therefore I think we shall have to proceed as we have for the past six months, with a broader and more generous commissioning policy, and an agreement, firmly confirmed, with the United Kingdom covering all categories of aircrew, not only pilots, bombers and navigators, whereby the United Kingdom government definitely agree that commissioning is a matter for the Canadian government alone, and that this government shall commission according to its own standards and irrespective of those of any other nation.

Mr. CASTLEDEN: What is the percentage of aircrew with Canadian squadrons in Britain who are commissioned?

Mr. POWER: I may be giving information from which, by adding or subtracting, somebody may find out something of value to the enemy; but as I figured it the last time I looked at it, it was about two to one for pilots, about the same for navigators, and about one to one for air bombers. Of course gunners are away below that; only five per cent were granted commissions on graduation. We have thousands of them over there whose cases we are now reviewing, trying to bring them up. Then wireless operator air gunners were only allowed ten per cent on graduation, with another ten per cent to be commissioned for service in the field.

The CHAIRMAN: Order. I believe the present discussion should come under item 13, which covers the maintenance of overseas squadrons. I must remind the committee again that we are now on item 2, which covers pay and allowances.

Mr. CASTLEDEN: The pay and allowances for N.C.O.'s and officers are different.

Mr. POWER: I think it is still pay and allowances, Mr. Chairman; it is all one to me whether I answer the question now or later. I have the ratio of officers to other ranks. Overseas the ratio is two officers to five other ranks in the R.C.A.F. squadrons; I am not talking about our men in the R.A.F., because I have not that information. In the Canadian squadrons, among aircrew, there are six officers to five N.C.O.'s, showing that we have made a great advance in commissioning. In the ground-crew there is one officer to thirteen other ranks, and the over-all ratio is four officers to nine other ranks.

Mr. CASTLEDEN: These figures scarcely seem to bear out the statement just made

by the minister in regard to prisoners of war, where I think he said there were 362 commissioned officers and 847 N.C.O.'s.

Mr. POWER: Of course a good many of these N.C.O.'s were taken prisoner some time ago. That would not be the very latest report.

Mr. CASTLEDEN: Then could the minister give us the cost of training a wireless air gunner and the cost of training an air bomber?

Mr. POWER: We have not a recent figure, I am told, because of a change in the syllabus. I am instructed that it has been altered so many times that it would not be fair to give any kind of figure.

Mr. MACDONALD (Brantford City): Could the minister tell the committee whether enemy governments recognize commissions that are granted after N.C.O.'s have been taken prisoner?

Mr. POWER: Perhaps I can say yes to that now. To the same inquiry I was not in a position to make that answer last year. However now I know they are doing it. But how quickly that recognition is given, and what steps are taken to move N.C.O.'s who become officers from an N.C.O. camp to an officers' camp, I am unable to say.

Mr. MacNICOL: I should like to ask some questions respecting one or two classes of people who have been associated with the air force. I have in mind, first, those young Canadians who, both before and during the war, wanted to join the air force and go overseas, and who at a later time did go overseas and joined the Royal Air Force. These were Canadians, and in some instances they were killed. Some of them had married English women overseas, and had children. What will be the status of those women and children, when coming to Canada? Will they receive pensions the equivalent of Canadian pensions, although their husbands were not in the Canadian service?

Mr. POWER: Yes.

Mr. MacNICOL: That is, a man who went overseas, joined the R.A.F. and married an English girl, or an old country lady—

An hon. MEMBER: That sounds better.

Mr. MacNICOL: They are all good—English, Scotch, Irish or Welsh. This man, as I say, after marrying was killed in action. If the wife and mother returns to Canada with her children, will she receive a Canadian pension?

Mr. POWER: My colleague the Minister of Pensions and National Health says yes.

Mr. SINCLAIR: Will that also apply to Canadians who went over after the outbreak of war and joined the R.A.F.?

Mr. MACKENZIE (Vancouver Centre): Yes, if they were domiciled here before they went over.

Mr. BLACKMORE: How much worse off financially is the young man after he becomes a commissioned officer than he was before?

Mr. POWER: I have not the figures, but I know a great many find that after they become officers they are not anything like as well off as they were before.

Mr. BLACKMORE: Does the minister not think something ought to be done about that? Surely a boy ought not to be penalized financially because he accepts a commission in the forces of his country?

Mr. SINCLAIR: He is not.

Mr. POWER: I understand it does not apply in commissioning from the rank of sergeant, but it does apply when commissioning from the rank of warrant officer first class —and second class?

Mr. SINCLAIR: No.

Mr. POWER: No; I am informed it is just when commissioned from warrant officer first class. The W.O.1 receives reasonably good pay. Although he does not have the privileges of the officers' mess, he stands high in the community, as a rule. I may say that he runs the army.

Mr. BROOKS: And he is entitled to be called "mister".

Mr. POWER: Yes. Then, he gets what is equivalent to an officer's uniform, and does not have to pay for it.

Mr. ROSS (Souris): And he does not want to take a commission, either.

Mr. POWER: As a rule he does not want a commission.

Mr. BLACKMORE: I am informed that not only is this condition revealed on paper, but the results are serious in connection with certain small matters. For example, a commissioned officer is expected to incur certain incidental expenses which, in the aggregate, amount to a considerable sum of money, and constitute a deduction from the money he receives. So that, although on paper he may receive a certain amount, he is actually much worse off financially. Is there any definite information on the point?

Mr. POWER: He usually has a somewhat higher standard of living. I suppose his messing is better than it would be if he were a non-commissioned officer. My experience, however, is that the N.C.Os. usually live just as well as the officers. However, the officer has to pay more for his messing privileges—although I do not think the messes are as expensive in this war, either in the air force or in the army. I can give my hon. friend the rates of pay for N.C.Os. and officers, if he wants that information. I must say to him, however, that I do not know just what extras the officers would be called upon to pay, apart from their generally higher standard of living.

Mr. BLACKMORE: It is my opinion the minister should institute a rigid investigation into the matter, and see that there is a sufficient difference in pay to make it financially worth while a accept a commission.

Mr. POWER: I shall be glad to do so.

Mr. ADAMSON: There is a machinery for liaison with the Canadian personnel, including officers, N.C.Os. and other ranks, serving with the R.A.F. in the United Kingdom. I met some of the officers who were doing that work. Is there any similar machinery elsewhere in the world?

Mr. POWER: Yes.

Mr. ADAMSON: With respect to messing, there was some discussion a year ago in connection with air force messes. That discussion, which appeared in the English press, stated—whether true or not—that some of the English R.A.F. messes were very expensive. I think the average messing in an army mess could not, by statute, go above three shillings a day. That was the maximum messing we were charged in the army. But I understand that in the air force some messes ran as high as fifteen shillings a day.

Mr. POWER: In war time?

Mr. ADAMSON: Yes, in war time. At least, that was the complaint in the English press. It was brought up in the House of Commons at Westminster at the time. Has the minister any information on that?

Mr. POWER: No, but I shall be glad to look into it. Fifteen shillings a day is a lot of money.

Mr. SINCLAIR: There is an order saying that two shillings a day is the maximum. So far as the hon. member for Lethbridge is concerned, no R.C.A.F. man suffers by having a commission. The highest pay for aircrew warrant officer is $5.75 a day, and the lowest pay for aircrew pilot officer is $6.25 a day. This is how the R.C.A.F. differs from the R.A.F., because in the R.A.F. the man does lose pay by taking a commission.

[Mr. Blackmore.]

Mr. ADAMSON: Could the minister give information respecting the liaison machinery?

Mr. POWER: Yes, we have liaison officers. We have a headquarters at Cairo, one at Naples, one in India, one in Tunis, and liaison officers in about a dozen different parts of the United Kingdom, if I am not mistaken. The hon. member for Vancouver North could tell us about that.

Mr. ADAMSON: There are a couple in London.

Mr. POWER: Yes, about half a dozen. There are about a dozen different liaison or district officers who are in touch with Canadians in R.A.F. squadrons.

Mr. ADAMSON: And if they find a Canadian who is, shall we say, unhappy, because of being in an R.A.F. squadron, they may make recommendation to have him moved to another squadron?

Mr. POWER: That is what they are appointed for.

Mr. MACDONALD (Brantford City): With respect to the allowances granted officers, N.CO's and airmen in Canada who do not live on the stations, it is my understanding that any officer when stationed in Canada is allowed to live out, provided his wife and family live near the station. In such event subsistence allowance is granted to him. Is the same privilege granted N.C.O's and airmen? That is, if an N.C.O. is fortunate enough to be stationed at No. 5, which is near the city of Brantford, is he allowed to live out? And if he lives out, is he granted subsistence allowance? Is there any limit to the number of N.C.O's who can live out? If so, is there a limit to the number of officers who may live out?

Mr. POWER: I am informed that, with regard to both N.C.O's and officers, the answer is broadly this: If there is room and accommodation in the station, while they may live out if they choose, they do not receive subsistence allowance. They can live out with the permission of the commanding officer, but they do not get any subsistence allowance. That allowance is given to them only when there does not happen to be room on the station, when there is no accommodation for them and they are obliged to live out. I understand that this is the common practice throughout all the services.

Mr. GILLIS: Is there any immigration restriction on the wives of R.A.F. Canadian nationals coming to this country? Has the minister any knowledge of just what is the immigration policy in that connection?

Mr. POWER: How do you mean?

Mr. GILLIS: I am referring to a Canadian national serving overseas with the R.A.F. Can his wife enter Canada?

Mr. POWER: That would come under the Department of Mines and Resources.

Mr. FRASER (Peterborough West): She would have to get an exit permit from the British government.

Mr. POWER: He would be a Canadian who had been domiciled in Canada, and I would think by marrying him she would become a Canadian. However, the question of citizenship is somewhat involved. I have heard it discussed in the house many times, but I could not really give my hon. friend an answer offhand.

Mr. DIEFENBAKER: There are a couple of questions I should like to ask in connection with this item. First, what is the basis of the inequality in flying pay as between officers and non-commissioned officers? As I understand it, where an officer and a non-commissioned officer are travelling on the same plane, the first receives $2 flying pay and the second receives only seventy-five cents. What reason is there for this difference? It has become the subject of considerable complaint.

Mr. POWER: It is a fair question but I have not the answer. I shall see what I can do about getting it for my hon. friend.

Mr. DIEFENBAKER: It is something which cannot be justified. The officer receives considerably more pay than the non-commissioned officer and yet the two men are in the same plane. Up until last year there was considerable complaint over the fact that non-flying officers were able to secure exemption from income tax by flying a certain number of hours. I understand that a new rule has been put into effect whereby non-flying officers, administrative officers and the like, can be designated by their commanding officer as officers to whom exemption is to be granted, even though they are not flying.

Mr. POWER: My hon. friend is perfectly right. We cannot now be made the object of accusation that we are now flying in our income tax, so to speak. There has been created a certain number of what are known as annotated positions. These positions call for a considerable degree of flying. They have not been established by the grace or pull of the commanding officer; they have been set up by the air member for organization working with a committee of officers of the R.C.A.F. They have decided that certain positions shall be annotated and the occupants thereof exempted from income tax during the time they occupy such positions.

Mr. DIEFENBAKER: Is it not a fact that there are quite a number of officers occupying these annotated positions who do little or no flying? By flying I mean to accompany pilots on flights. By being appointed to these annotated positions they have been able to secure exemption from income tax which otherwise they would not be able to get.

Mr. POWER: I shall have to get a report on that.

Mr. DIEFENBAKER: The minister possibly can give us an answer that will cover the situation by telling us the number of administrative officers who fill annotated positions and who thereby secure exemption from income tax although they are not actually engaged in flying.

Mr. POWER: I am told that they must be general list officers and not administrative officers.

Mr. DIEFENBAKER: That is the point I am making. The information I have is that certain administrative officers have been annotated and that as a result they are exempted from income tax. I should like to have the number who have received exemption by being placed in these annotated positions, the number who have received exemptions even though they have had less than fifteen hours in the air accompanying crews in one year.

Mr. MacNICOL: I should like to pursue a little further the question asked by the hon. member for Cape Breton South with reference to widows of Canadians who went overseas and married women there. The hon. member inquired as to their eligibility to enter Canada. The Minister of Mines and Resources is in his place and perhaps he could give us an answer. I see he is now listening. I realize he has nothing to do with this department, but may I tell him that a few moments ago the hon. member for Cape Breton South asked the minister a question in connection with the admission of old country women who had married Canadians who were in the R.A.F. and who had since become deceased. The hon. member wanted to know if such women would be admitted to this country without

difficulty, and I understood him to say that there was some difficulty about their entry. The minister could not give a full answer because he did not know. Perhaps the Minister of Mines and Resources could give us the answer.

The CHAIRMAN: Unless the minister wants to answer I do not believe it would be in order. He has not his officials before him and I really think that question should be allowed to stand.

Mr. MacNICOL: Can he not enter the debate?

The CHAIRMAN: Certainly, but this has nothing to do with the item before the committee.

Mr. GRAYDON: The minister appears to be anxious.

The CHAIRMAN: I repeat that it has nothing to do with item 2. If the minister wants to answer it is up to him.

Mr. MACDONALD (Brantford City): One department at a time.

Mr. MacNICOL: The minister can take part in the debate if he wishes.

The CHAIRMAN: I want to make my point clear that this question has nothing to do with the item under discussion.

Mr. LOCKHART: I have a case in mind.

Mr. CRERAR: If I understand the question aright, I see no reason why the lady could not be admitted to Canada, assuming that she comes within the requirements of the Immigration Act. There are prohibitions in the act against entry of certain people, but if the lady is not in any prohibited class I see no reason why in due time she should not come to Canada.

Mr. GRAYDON: There could be nothing controversial over the minister's statement.

Mr. MacNICOL: If a lady overseas marries a Canadian, she at once becomes a Canadian, so far as our immigration laws are concerned.

Mr. CRERAR: No; that would not overcome the prohibitions in the Immigration Act. Take, for instance, a person afflicted with epilepsy. That person would be prohibited entry under the act. But assuming that the lady in question can meet the requirements of the act, I see no reason whatever why in due time she should not be permitted to come to Canada.

[Mr. MacNicol.]

Mr. MacNICOL: I wish to thank the minister for interjecting and answering a question that already had been asked by another hon. member.

Mr. SINCLAIR: I should like to say a few words with respect to the matters raised by the hon. member for Lake Centre. He may have given a wrong impression as far as certain non-flying officers are concerned. There are non-flying officers, gunnery instructors, navigation instructors, signalling instructors, for instance, whose duties entail travelling around, and they are deserving of all the flying pay they get. I must join with the hon. member, however, in his suggestion that no administrative officer should secure exemption from income tax because he travels from one place to another in an aircraft. Let me give an example that happened to me quite recently. I had an opportunity to go for a flip in a Canso—I had never before ridden in a Canso. Seventeen other officers piled in and we had an enjoyable flip. The next day the adjutant asked me for my name and number so that he could post me $2 for a flip for which most of us would have gladly paid $5. The time has come, I think, to cancel special flying pay for non-flying personnel.

Mr. POWER: Would my hon. friend pardon me. We are now talking about exemption from income tax.

Mr. SINCLAIR: I am talking about flying pay. It is double-edged. Not only do they get exemption from income tax but $2 extra as well.

Mr. POWER: Flying pay is a different thing. That applies to all the service.

Mr. SINCLAIR: I think the minister has mistaken my point. Administrative officers who take casual flips ought not to get $2 extra a day for that, and exemption from income tax as well. It is a very nice bonus for them.

Mr. MACDONALD (Brantford City): Do they not have to be on the general list?

Mr. SINCLAIR: No. Any non-flying officer who can claim that he is flying on duty—and it may be a very flimsy reason—gets $2 for that flip and the N.C.O. and an airman seventy-five cents, and some of them run up quite a respectable sum in a month. Flying in an aeroplane is as safe to-day as travelling in a bus or train, except for those who are flying over Europe or are on operational duty. I would suggest that flying pay for non-flying personnel, other than navigation men, signal

men, bombing and gunnery men, should be eliminated, and for all flips. The time has come to end that.

Mr. MACDONALD (Brantford City): Both at home and abroad?

Mr. SINCLAIR: Yes.

Mr. POWER: The pay regulations to which my hon. friend refers have been in existence for a long time, since pre-war. That is to say, under the regulations any officer or airman who goes on a duty flight gets $2 a day for flying. If my hon. friend were detailed for duty in Montreal he would get $2 for his trip there. But if there has been abuse of the regulations such as my hon. friend mentions, of a man taking a trip in a plane just to get flying pay, I am glad that my hon. friend has called my attention to the matter. I can assure him that it will not happen again, and the boys will have to pay for their flights. But I do not see how I could overcome, without serious difficulty, a pay regulation which has been in effect for quite a long time and which provides that even though a man be on the general list, and his position is not annotated, if he is detailed for duty somewhere else, he gets $2 for flying to that particular place, if he is an officer, and somewhat less if he is an N.C.O. or an airman. But that is not the point my hon. friend brought up. His point was that in some way they evade payment of income tax.

Mr. SINCLAIR: If they do it often enough, they evade payment of income tax and get the $2 for the flip as well.

Mr. POWER: The $2 a day is a different matter. That is the practice and has been in the regulations for quite a long time, and I could not promise to change it without perhaps having to turn the whole service upside down. But I will certainly look into the abuse of annotated positions referred to by the hon. member for Lake Centre.

Mr. DIEFENBAKER: And will the minister give the committee a list of the annotated positions?

Mr. GRAYDON: I think a number of members have received letters from various air observer schools on behalf of civilian pilot instructors. They have taken some pains to make a case with respect to income tax, comparing their duties with similar duties in the ferry command. I do not rise to do more than simply ask the minister for the explanation which must underly the position which the government takes with respect to income tax. I would be very glad if he will enlighten the committee on that.

Mr. POWER: There has been a concerted drive put on, and I think I have answered every member who has written me a letter about it. The reply is one of those formal ones. I will bring it down for my hon. friend to-night. If it is not satisfactory I think the only thing for hon. members who are being asked by these civilian instructors to present their case would be for them to present it to the Minister of Finance. I have made my reply and I shall be only too glad to read it into *Hansard* to-night.

Mr. GRAYDON: I think the minister ought to do that, and if there is anything further to be done when the estimates of the Minister of Finance are before the house, we can deal with the matter then.

Mr. GILLIS: Are there any regulations on the subject of messing with respect to R.C.A.F. personnel in Canada? From time to time I have received complaints from different stations that at some stations the food is not so good and there is a fixed messing fee, while at other stations there is no messing fee. Where there is a fixed fee, a monthly deduction is made from the pay cheque.

Mr. POWER: This applies to other than officers?

Mr. GILLIS: Just to the rank and file below warrant officer. Is there any regulation that permits those administering an operational station or training school to make a deduction for messing from the pay cheque of any of the personnel below the rank of officer?

Mr. POWER: I gave instructions about a month ago to abolish that. It had been hanging fire for six months.

Mr. GILLIS: It was abolished a month ago?

Mr. POWER: Yes. It is six months since my hon. friend called my attention to it and I determined that the practice should be abolished. There were, however, certain reasons for it which I felt were not very strong, and eventually I got my way.

Mr. GILLIS: There is no regulation to-day which permits it?

Mr. POWER: There is a regulation prohibiting them from doing it.

Mr. SINCLAIR: With regard to the point raised by the leader of the opposition, probably all of us have received these letters from civilian pilots. I should like to point out one thing that is not mentioned in the letter. A sergeant pilot who goes on leave as a civilian pilot to an air observer school gets $300 a month. A sergeant pilot who stays with the air force and flies over Europe gets $105 a

month. I think most hon. members will agree that civilian pilots can afford to pay income tax.

Mr. POWER: I will not give any answer, now, if that is satisfactory.

Mr. GRAYDON: I was not raising any question, but merely asking for information. So many hon. members have received these letters from time to time that I thought it was a matter about which the committee ought to know something. I am much obliged to the hon. member for Vancouver North. I think most of us who were not fully acquainted with the circumstances in this connection would like to have the facts put on *Hansard* for our information.

Mr. BROOKS: Before we pass this item of pay and allowances there is a matter about which I intended to speak to the minister privately and personally. I believe it has already been brought to his attention, but he might be able to give us some further information. It has to do with young men who join the air force and are sent to places like Ottawa, and other centres, to the technical schools and colleges for training. These boys are put on subsistence, and frankly I think the rate is very low. It does not come near to paying their expenses. Here in Ottawa the allowance is $1.25 a day, and these boys are paying $1 for their room, and the other twenty-five cents is all they have, if it is not supplemented from some other source, for their meals. Possibly the minister is making other arrangements.

Mr. POWER: I am afraid I cannot make any other arrangements, except to see to it that as few as possible of our men are on subsistence allowance, and I think, as time goes on, there will not be many. It is almost an impossibility to work out a system of subsistence allowances in different zones or in various parts of the country. What a man gets is $37.50 a month: it is not enough for the time he stays here, but these men do not stay very long in congested centres.

Mr. BROOKS: Well, they stay for two or three months. I think some arrangement should be made if possible to put them in barracks.

Mr. POWER: We are trying to do that.

Mr. BROOKS: I do not think they should be wandering around at night.

Mr. POWER: But I could not raise the subsistence allowance.

Mr. BROOKS: It is better to have them in barracks. They are under discipline and receive better care and attention.

Mr. CARDIFF: Has the minister any control over the way in which food is served in the R.A.F. camps? As he knows, some of the air force are transferred to R.A.F. camps, and the complaint has come to me at different times—I have a boy in the service—that the food service in these camps is not comparable with the service in R.C.A.F. camps.

Mr. POWER: Does the hon. member mean overseas, or in Canada?

Mr. CARDIFF: I mean in Canada. I imagine that the food supplied to all the camps is the same. Presumably the objection is to the way in which it is put up and served, but there seems to be a great difference in the way it gets to the men, as between R.A.F. and R.C.A.F. camps.

Mr. POWER: I have heard that complaint frequently. The food is the same.

Mr. ADAMSON: The rations are the same.

Mr. POWER: The rations are exactly the same. Although we have full authority over the R.A.F. here we hesitate to infringe on their autonomy. But we have put in our sergeant cooks at times, and we have put in our own messing officers. I was under the impression that the situation had improved considerably during the past year, but it may still be that at some R.A.F. stations the cooking is not as good as it should be. They come under our command messing officers, and our people inspect as frequently as they can.

Item agreed to.

3. Travel, transportation and freight, $27,345,330.

Mr. ADAMSON: Will the minister give some break-down of this item?

Mr. POWER: The reason for the increase?

Mr. ADAMSON: Yes.

Mr. POWER: I will give reasons for the increase. The cash requirements for the fiscal year 1944-45 are $27,345,330. This represents an increase of $615,330 over the probable 1943-44 expenditure, due mainly to (1) additional sea transportation costs resulting from (a) the number of personnel proceedings overseas; (b) the number of personnel returning to Canada as repatriates or on special leave after completion of tours of duty; (2) increased requirements in respect of freight and drayage charges in Canada. Ocean transportation for Royal Canadian Air Force personnel proceeding overseas was assumed by Canada as of April 1, 1943. These costs were absorbed by the United Kingdom prior to that date. Is that sufficient?

Mr. ADAMSON: Has the minister any idea —or is it secret?—as to what it costs to send an airman overseas?

Mr. POWER: It is £17 now; I am informed it will be £15 next year. That is a flat rate applying to all ranks.

Mr. ADAMSON: Does it also include transportation on the Canadian railways?

Mr. POWER: No.

Mr. ADAMSON: It is purely from the—?

Mr. POWER: —boat.

Mr. ADAMSON: From the coast?

Mr. POWER: On board the boat.

Mr. ADAMSON: And it does not include any transportation of equipment?

Mr. POWER: We take only our personal equipment with us.

Mr. ADAMSON: I mean, no aircraft transportation?

Mr. POWER: No; we do not take any aircraft with us.

Mr. ADAMSON: Does it include those who have anything to do with the R.C.A.F. transport command?

Mr. POWER: They fly.

Mr. ADAMSON: Yes, I know. This is purely by ship; it does not include any of the men who fly at all?

Mr. POWER: No.

Mr. ADAMSON: I mean, the lucky officers get taken over by air. It does not include them?

Mr. POWER: No.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. POWER: The leader of the opposition asked me a question about income tax exemptions for instructors at civilian schools. I have in my hand a form letter which I sent to several members of the committee who have written to me. I shall leave out the name of the member to whom it is addressed. The letter reads as follows:

> Your letter of February 22 received relative to the request of Mr. ..... for a reduction in his income tax on the grounds of the danger of his occupation as a staff pilot at ..... air observer school.
>
> Mr. ..... suggests that since these schools have increased in size, the hazards of his occupation have increased. I am glad to say this is not borne out by our accident records and I am at a loss to understand his reference to higher insurance rates.
>
> At these schools we have a number of service personnel, on leave without pay, employed as staff pilots and they are adjudged as of civilian status for income tax purposes and, consequently, there is no discrimination as suggested.
>
> Similar inquiries having previously reached this department caused a thorough investigation to be made, into which the Department of National Revenue (income tax division) was drawn. This investigation satisfied us that, after payment of income tax, pilots on leave without pay, employed at air observer schools are slightly better off financially than in the service.
>
> For your information I am attaching a schedule of comparative income of civilian instructors at A.O.S.'s, and sergeant pilots, R.C.A.F., after making provision for a proposed tax on 1942 incomes.
>
> It is to be noted that the rank from which civilian instructors are drawn is sergeant pilot, and in order to make a fair comparison of their relative incomes, an amount of $1 per day being the value of the subsistence allowance at both service schools and air observer schools has been added to the pay of the rank of sergeant pilot.
>
> From the schedule presented it can be seen that the net cash income of the instructor at the civilian school after the deduction of both the tax and savings element is greater than the income of a sergeant pilot in any degree of marital status.

I have here the schedule, and with the consent of the committee I ask that it be placed in *Hansard:*

Schedule of comparative incomes civilian instructors at A.O.S.'s and sergeant pilots, R.C.A.F., after making provision for a proposed tax on 1942 incomes

	Status	Gross income	Tax	Income after deducting tax	Compulsory savings	Net cash income
Single	Civilian	$3,600 00	$1,106 40	$2,493 60	$288 00	$2,205 60
	Sgt. pilot	1,715 50	.....	.....	.....	1,715 50
Married	Civilian	3,600 00	812 40	2,787 60	360 00	2,427 60
	Sgt. pilot	2,135 50	.....	.....	.....	2,135 50
Married and 1 ..	Civilian	3,600 00	668 40	2,931 60	396 00	2,535 60
	Sgt. pilot	2,279 50	.....	.....	.....	2,279 50
Married and 2 ..	Civilian	3,600 00	524 40	3,075 60	432 00	2,643 60
	Sgt. pilot	2,423 50	.....	.....	.....	2,423 50
Married and 3 ..	Civilian	3,600 00	424 20	3,175 80	424 20	2,751 60
	Sgt. pilot	2,531 50	.....	.....	.....	2,531 50
Married and 4 ..	Civilian	3,600 00	370 20	3,229 80	370 20	2,859 60
	Sgt. pilot	2,603 50	.....	.....	.....	2,603 50

1. An amount of $365 has been added to cash income of sergeant pilot as value of subsistence allowance at $1 per day.

2. Deductions for compulsory savings may be reduced by the amount paid out for insurance premiums, mortgages on home, pension funds as provided in proposed amendments to the income tax act.

3. The salary of $3,600 shown for civilians is the salary attainable after provisional period with civilian school.

Mr. GRAYDON: In order to obtain information may I ask the minister a question? I have not had an opportunity of interviewing any of these men. I simply passed on the letters that I received in order to get the information in a public way. How do the air observer schools or the other training schools recruit these civilian instructors? From what group in the air force are they taken?

Mr. POWER: They are largely sergeant pilots who have gone through the air training plan; are given leave without pay, and are then employed at civilian schools.

Mr. GRAYDON: In most instances are they men who have had operational service overseas?

Mr. POWER: Not any of these.

Mr. GRAYDON: I am quite sure that most members of the committee are a little confused when the question is answered in this way. Are these sergeant pilots who find themselves in the position of civilian instructors picked out or chosen from the sergeant-pilot class because they have special adaptability or special training? How do these men happen to get leave without pay and then be taken on, as the hon. member for Vancouver North says, at $300 a month? What is the test by which these men are chosen?

Mr. POWER: Originally when we started the civilian schools these men were civilian bush pilots or men who had done some flying before the war. For some reason or another they did not care to come into the R.C.A.F., or perhaps they did not qualify for aircrew on some ground or another; therefore they were employed by these schools. As time went on, they either did not join the R.C.A.F., or disappeared from the scene and got other jobs in other civilian occupations, so that we had to fill those schools either with these men whom we took into the R.C.A.F., blanketed them in as civilian instructors, or with some of our own graduates who, for some reason or another, were perhaps not fit for overseas or who had probably joined through the civilian schools and had been sworn into the R.C.A.F. with that purpose in mind. I am not sure about that. I know that at one time the civilian schools could not get any more civilian pilot instructors. They came to us and we said: "We will take them all over and make them R.C.A.F. men." In that way we probably absorbed some who otherwise would not have joined the R.C.A.F. at all. We did that in order that we could have some control over them. We can send them overseas.

Mr. GRAYDON: They are available for operational work overseas?

Mr. POWER: They are now. We can call them back any time.

Mr. GRAYDON: Would the minister give the committee some information as to how many civilian instructors of that class there are in Canada?

Mr. POWER: I would not guess. I would have to find out. I can give the number of schools, but I cannot give the number of instructors with any degree of accuracy.

Mr. GRAYDON: Is an opportunity given to those who have completed operational work overseas and who have come back to Canada to take up work of this kind?

Mr. POWER: Oh, yes; we are looking for these men. Unfortunately quite a few of them do not want to be instructors. More and more as time goes on we shall fill all our schools with instructors who have had overseas experience. That is the intention and the policy.

Mr. GRAYDON: Some of these men who have made the claim are no doubt men who have had operational training overseas?

Mr. POWER: No.

Mr. GRAYDON: None of them?

Mr. POWER: I do not think there are any civilian instructors or R.C.A.F. men on leave without pay in our air observer schools of the class who are now complaining about income tax, who have had actual experience overseas.

Mr. MacNICOL: When the committee rose I was on the point of asking a question in connection with travel. At Christmas time I met a number of young airmen in my riding who had just returned from British Columbia. Two of them told me—and maybe others went through the same experience—that they were well into Alberta and some in Saskatchewan before they were able to get a berth. In other words, they had to sit up all the way from Vancouver, or wherever they boarded the train in British Columbia, to well across

the prairies. I suppose the same condition applies to those who board trains at Halifax or Saint John or anywhere in the east. I have been wondering if in the case of holidays like Christmas and Easter or stated holidays when large numbers of these young men are returning to their homes in the east and west, the government could not provide sleeping cars, especially for airmen or service personnel returning to their homes in the central provinces from both east and west coasts.

Mr. POWER: I do not think any of the services have ever provided berths and meals for personnel travelling on leave.

Mr. MacNICOL: But where there are such numbers travelling at Christmas time from British Columbia or Halifax does the minister not think something should be done? These men are coming to their homes in Ontario and other provinces, and they are entitled to accommodation. As I said a moment ago, it would only be fair to provide one, two or three cars, or whatever is required, wholly for the service personnel. I speak now of the air force, but the same thing will apply to the others as well.

Mr. POWER: I think that would be a matter for the railways. There is always a shortage of accommodation at that particular period of the year. It would be for the railways to arrange that, provided the men would pay for their berth and meals. The services do not pay.

Mr. MacNICOL: The minister is so persuasive with the railways and everybody else that I have the notion if he would interest himself in the matter something would be done.

Mr. POWER: Very often I would like to get a berth for myself, but I cannot get away with that.

Mr. MacNICOL: I am speaking of special occasions, not ordinary trips such as the minister and I take. When a large number of these young men are returning after a holiday, such as Christmas, two or three cars could be provided for them if an effort were made.

Mr. HARRIS (Danforth): As the minister probably knows, it is a practice in the United States, something that has grown up as a courtesy rather than under any rules or regulations, for civilians to stand aside until such time as men in uniform have found accommodation on the trains. I should like to take this opportunity to say to the people of Canada through you, Mr. Chairman, while this matter is being discussed, that it would not hurt the civilians of this country to step aside, when men in uniform are boarding trains, and let those boys have everything that is coming to them. I agree with the minister that it is a matter for the railways. I do not suggest that the railways should make any rules or regulations in this regard, but I do ask the civilians of Canada, who are not doing nearly so much in behalf of Canada as those lads are doing, to step aside on station platforms in order that those in uniform may go through first and have their choice of accommodation. Then we can take what is left.

Mr. NEILL: I should like to add a word in a different connection. Only to-day I received a letter from which I should like to read a few lines:

> I wonder if some day you would ask the hon. Minister of National Defence for Air why air force personnel are not allowed any travelling time with their fourteen days annual leave? The navy and the army get it, the latter get seven days paid travelling time. This has always struck me as rather unfair and I can see no good reason for our being denied this privilege since the same taxpayers and government are paying us all. Last fall when the new K.R. (Air) was issued travelling time (8 days) was included as one of the new regulations, but shortly after this was, so I am told, cancelled.

Then this girl goes on to give an instance of a girl going from Toronto to the west coast, stating that she had only five days at home out of the fourteen days leave. Are members of the air force treated differently from members of the army and navy; and, if so, why?

Mr. GRAYDON: When these appropriations were first before the committee I raised the matter which has been mentioned by the hon. member for Comox-Alberni, and I should like to support what the hon. gentleman has said. This particularly concerns those who travel from the part of the country from which the hon. member comes. Travel takes so much of the time that there is not much time left for these boys and girls to spend at home, though they have planned and saved for months in order to make the trip; and every-

one knows that it is not very easy to save money on the pay they get in the armed services. I do not think there can be any very good reason for longer withholding from those in the air force the privileges which are granted to those in the other branches of the armed forces. I understand the situation to be as outlined by the hon. member for Comox-Alberni, and perhaps the minister would be good enough to explain it.

Mr. POWER: I do not think it is quite as has been stated. I must say that I am surprised to find the situation to be as it turns out to be, because I was always under the impression that the other services complained that the air force had too much leave. This is the information I am given. A table has been prepared setting out in detail the regulations of the army, navy and air force with respect to the leave. That table is attached to this statement, and I can place it on *Hansard*. It is pointed out that the information contained in the table, with respect to the army and navy, has been taken from the latest available regulations and orders of the navy and army, and it is suggested that before this is tabled and used it might be advisable to have it approved by the appropriate army and navy representatives. I think this has been done. As indicated in the table, no travelling time is granted by the R.C.A.F., except in the case of special leave at isolated units. Similarly, no travelling time is given by the army, except in connection with embarkation leave or furlough, when personnel of the army warned for overseas service may be granted leave or furlough sufficient to provide two clear days at home. All personnel of the R.C.A.F., when posted overseas, are granted fourteen days embarkation leave irrespective of where their homes are located, and this period is considered sufficient to allow personnel proceeding on this leave, even from one coast of Canada to another and return, to have the same, if not more, time at home than is given to army personnel on embarkation leave.

I am not prepared to discuss that, because it may be a pretty broad statement. However, my information goes on to say that it is therefore considered that in general the army and air force regulations with respect to travelling time in addition to leave are on the same level. The navy does grant travelling time in addition to normal leave. This is considered justified in view of the fact that the larger proportion of the personnel of the navy are serving at sea and leave must be taken from whatever port the ship may arrive at and at a time when leave can be granted. The conditions of service of Royal Canadian naval personnel who are serving at sea differ from personnel of the army and air force serving at fixed units in Canada, and because of this, travelling time in addition to normal leave is justified. It is also considered that reasons to justify the granting of travelling time in addition to normal leave to naval personnel are not present to justify the granting of such travelling time to army and air force personnel.

Then there is a long story here setting forth the different kinds of leave: annual leave, embarkation leave, disembarkation leave, even political leave, with the conditions in the three services set out. If the committee would like to have this table on *Hansard* I would have no objection.

The CHAIRMAN: By unanimous consent of the committee.

Mr. POWER: The table is as follows:

Leave and Passes

1. Annual Leave.—Personnel who are continuously employed on flying duties are eligible for 14 days leave with pay once every six months. Personnel not employed on flying duties are eligible for 14 days leave with pay once every fiscal year. Leave not taken may be accumulated in exceptional circumstances, but this is not encouraged.

2. Granting of.—Normally leave is not granted during the first six months service of officers and airmen, and trainees other than aircrew are not given leave until completion of training. Leave may be granted to aircrew trainees when time is available between courses and in such cases is not charged against annual leave.

3. Isolated Units.—On completion of a tour of duty of not less than six months at isolated units, personnel are eligible for seven days special leave in addition to annual leave authorized, together with travelling time actually required for the return journey to the mainland or railhead, but not to exceed five days in any case.

4. In the case of personnel posted to isolated units on the east coast, arrangements are made for them to take annual leave prior to posting, and they are not granted annual leave during their tour of duty at such isolated units. This does not apply to aircrew. While such postings are for an indefinite period, in practice personnel are posted away after a tour of duty of from 12 to 18 months. At the request of the A.O.C., W.A.C., this restriction was not extended to the west coast.

5. Indefinite Leave.—Indefinite leave without pay is no longer granted, and applications for this type of leave to return to essential industry are treated as application for discharge, provided a certificate is obtained from national selective service that the individual's services are

essential to the efficient conduct of the industry concerned, and that there are no other personnel available with comparable qualifications.

6. Farm Leave.—A.O.s.C. have authority on the C.O.'s recommendation to grant spring farm and harvest leave to personnel who can be spared from their duties, up to a maximum of two months, for each type of leave. Such leave is without pay and allowances, including dependent's allowances.

7. Sick Leave.—Sick leave is granted by C.O.'s on the recommendation of a medical board.

8. Compassionate Leave.—Compassionate leave may be granted either with or without pay, depending on the circumstances of the case.

9. Embarkation Leave.—R.C.A.F. personnel and C.T.E. trainees from Newfoundland are given 14 days embarkation leave, including travelling time, irrespective of the leave destination. Where possible personnel other than trainees proceeding overseas on posting, or for a period of not less than six months on temporary duty, are given 14 days embarkation leave.

10. Repatriation Leave.—Personnel who have carried out a term of two years on ground duties overseas or aircrew who have completed an operational tour, and who have been returned to Canada for other than disciplinary or medical reasons, are given 30 days leave including travelling time. Personnel who have carried out a term of duty extending for a period of at least six months overseas but less than two years in the case of groundcrew and aircrew who have not completed an operational tour, and who have been returned to Canada for other than disciplinary or medical reasons, are given 14 days leave, including travelling time. In exceptional cases such personnel may be given leave not to exceed 30 days.

11. Passes.—Periods of absence from duty of 48-hours or less are considered as a pass and are not charged against leave entitlement. Some flexibility is necessary under active service conditions, and the exact number of off duty pass privileges is left to the discretion of C.O.s. including decisions as to whether these pass privileges are to be given on week-ends or during the week.

12. Transportation on Leave.—Personnel proceeding on authorized leave may be granted one special reduced fare annually to return to their bona fide homes, at a cost to themselves of one-third of the existing reduced rate which is round trip at the price of a single fare. In addition, a similar warrant may be issued on embarkation or disembarkation leave.

13. Furlough warrants, i.e., return ticket for the price of a single fare, may be purchased by personnel in uniform or in possession of Canadian passenger association form 95, which is issued by the adjutant of the station, and these tickets are available without retsriction as to number.

48- and 72-Hour Passes

48-Hour Passes.

1. The regulations relating to the granting of 48-hour passes are contained in A.F.A.O. A.24/6, paras. 7 to 10, inclusive.

2. Certain instructions were issued in amplication of the provisions of this A.F.A.O. with respect to personnel at air force headquarters and command headquarters, and such instructions are now being issued generally by way of amendment to this administrative order. The amendment has been forwarded for promulgation and will provide as follows:—

"Forty-eight hour passes at air force headquarters, command headquarters and stations or units other than those where personnel are actively engaged on flying duties or where the pool system is operated are only to be granted to personnel who have put in a reasonable amount of overtime during the month prior to the application for the pass or in other extenuating circumstances."

3. Personnel to whom 48-hour passes are granted fall under two classes:—

(a) Personnel who normally work a five and one-half day week. Such personnel only receive a 48-hour pass where they have put in a reasonable amount of overtime work or in special circumstances where such a pass is required to take care of urgent personal affairs.

(b) Personnel who normally work a seven-day week. Such personnel, at the discretion of their commanding officer, are normally granted two 48-hour passes a month to compensate for the continuous nature of their employment. Such passes are given either in rotation or periodically during the month as may best fit in with the type of training carried on at the particular unit.

72-Hour Passes.

4. There are no regulations in force which authorize the granting of a pass of more than 48 hours.

Comparative Table of Leave Entitlement for the Armed Forces in Canada

Royal Canadian Navy

1. Annual Leave (Normal Leave)

(a) Up to 28 days normal leave plus travelling time may be granted in each year if the exigencies of the service permit—1st April–31st March.

(b) For periods of less than a year, officers and ratings may be granted 14 days normal leave plus travelling time for a completed period of six months service, plus two days for each complete month's service, subject to the conditions that no leave will be granted until the completion of six months active service—1st April–31st March.

(c) When the journey by the most direct route to or from the home of an officer or rating exceeds 24 hours, additional leave to cover the period of travelling in excess of 24 hours each way is to be granted once annually.

(d) Leave for service ashore in Canada will not be cumulative from one leave year to the next, and any leave not taken before the end of the leave year will lapse.

(e) Leave for service at sea or outside Canada will be cumulative up to a maximum period of 60 days.

(Naval order 3241/43, paras. 4, 5, 6, 7, 8 and 9.)

2. Embarkation Leave

Normally no embarkation leave, but such leave may be granted in exceptional cases to attend to personal affairs if absence from duty permits. (No reference.)

Canadian Army (Active)

1. Annual Leave (Ordinary Leave and Furlough)

(a) Officers may be granted leave, not exceeding 14 days with pay during each fiscal year, i.e., 1st April–31st March. Such leave may be granted on the authority of the district officer commanding.

(b) Other ranks may be granted furlough not exceeding 14 days with pay during each fiscal year, i.e., 1st April–31st March. Such furlough may be granted on the authority of the officer commanding the unit.

(c) Leave and furlough authorized under (a) and (b) above is not accumulative, and, except as provided in para. (d) will not be granted until the officer or soldier has completed six months continuous service in an active unit of the Canadian Army. In no circumstances will ordinary leave or furlough exceed 14 days during a fiscal year.

(d) (i) Personnel in advanced training centres selected for trades training may be granted furlough at the completion of advanced training and prior to proceeding to trades training, even though the soldier concerned may not have completed six months service as required by sub-para. (c).

(ii) Furlough may be granted to personnel of units other than advanced training centres who are selected for trades training provided they have completed five months service with their unit.

(C.A.R.O. 2347.)

2. Embarkation Leave and Furlough

(a) Personnel warned for service overseas may be granted embarkation leave or furlough to provide for two clear days at home.

(b) The fact that an officer or soldier has had ordinary leave or furlough will in no way prejudice the grant of embarkation leave or furlough.

(C.A.R.O. 699.)

Royal Canadian Air Force

1. Annual Leave

(a) 28 days a year, i.e., 14 days every six months may be granted to personnel continuously employed on flying duties.

1st April-30th September
1st October-31st March.

(b) 14 days leave may be granted to personnel not continuously employed on flying duties—1st April-31st March.

(c) Annual leave is not to be granted until the completion of six months paid service or until the completion of training, whichever is the longer, with the exception that commanding officers may grant annual leave not exceeding that authorized under (a) and (b)

(i) in urgent circumstances connected with family affairs.

(ii) on posting to remote operational units if circumstances permit.

(d) Athough the taking of leave within these periods is to be encouraged, the air or other officer commanding may authorize the carrying forward of the whole or part of the leave not taken, provided he is satisfied that special service circumstances have prevented it being taken within the stipulated periods and provided that not more than one year's leave may be accumulated and carried into a subsequent year.

(A.F.A.O. A.24/5.)

2. Embarkation Leave

14 days leave may be granted to all R.C.A.F. personnel on posting overseas.

(A.F.A.O. A.24/5.)

100—77

3. Disembarkation Leave

Nil.

4. Compassionate Leave

May be granted by commanding officers in exceptional cases. Such leave is normally deducted from normal leave, but where no normal leave is due, such additional leave may be granted with the approval of a flag officer, a commodore, or commanding officer, reserve divisions.

(Naval order 3241/43, para. 17.)

REVISED EDITION

5. Agriculture or Essential Industry

A period of leave not to exceed two months to return to agriculture or essential industry may be approved by a flag officer, a commodore or commanding officer, reserve divisions, only where exceptional circumstances such as death or disability of a member of immediate family render it essential that the rating concerned return to his home for a short period. This leave is subject to the conditions laid down in Naval Order 3241/43, paras. 18 and 19.

Note:—Although not stated in the order, it is understood from Naval authorities that agriculture or essential industry leave is granted without pay and allowances.

3. Disembarkation Leave

(a) 30 days leave may be granted personnel who have been overseas for a period of two years, or personnel who have served in a theatre of operations regardless of length of overseas service.

(b) 14 days leave and one additional day's leave for each completed month served overseas in excess of six months up to a maximum period of 30 days leave may be granted to personnel who have been overseas for a period of at least six months, but less than two years, and who have not been serving in a theatre of operations.

(C.A.R.O. 3912.)

4. Compassionate Leave

To meet special cases involving hardship, compassionate leave or furlough not exceeding 10 days may be granted with pay to officers and other ranks irrespective of length of service in the C.A.S.F., on the authority of the district officer commanding. Such leave on compassionate grounds is to be restricted to cases where the D.O.C. is satisfied of the urgent necessity for the grant.

(C.A.R.O. 699.)

5. Farm Leave

The army may grant assistance to agriculture in two ways:

(a) by granting of leave (known as compassionate farm leave) to certain personnel under the provisions as outlined in appendix "A" to C.A.R.O. 3456—

(i) This leave may be granted to men for the purpose of working on farms owned by members of their immediate family where there would be undue hardship if the leave were not granted. This leave is applicable where the relative working the farm is, because of old age or disability, incapable of continuing to do so, and, by reason of their enlistment or enrolment, there is no other member of the family available to assist.

(ii) The general officer commanding or district officer commanding may authorize leave for period applied for or for such period as he deems advisable, but not to exceed six months.

3. Disembarkation Leave

(a) 30 days leave may be granted to personnel who have carried out a term of two years on ground duties overseas or aircrew who have completed an operational tour and who have been returned to Canada for other than disciplinary or medical reasons.

(b) 14 days leave may be granted to personnel who have carried out a term of duty extending for a period of at least six months overseas, but less than two years in the case of ground crew, and aircrew who have not completed an operational tour and who have been returned to Canada for other than disciplinary or medical reasons. One additional day's leave may be granted for each completed month served overseas in excess of six months, up to a maximum period of thirty days leave.

4. Compassionate Leave

Air officers commanding may grant leave on compassionate grounds up to a period of 30 days in excess of that normally permitted during the year. Compassionate leave is to be counted against any portion of annual leave that has not been taken.

(A.F.A.O. A.24/5, para. 5.)

5. Spring and Harvest Leave

The regulations covering the granting of spring and harvest leave are laid down each year by instructions to all commands. In 1943 the conditions governing the granting of both spring and harvest leave were as follows:

"Air officers commanding are authorized to grant spring and harvest leave during the 1943 spring and harvest season subject to the following conditions:

(a) Where the commanding officer is satisfied and certifies that personnel can be spared from their duties without interference to training or operations, leave may be granted up to a maximum of two months and no extensions are to be given. The maximum period of two months is not to be granted if the commanding officer considers a shorter priod would prove satisfactory.

Comparative Table of Leave Entitlement for the Armed Forces in Canada—*Continued*

Royal Canadian Navy	Canadian Army (Active)	Royal Canadian Air Force
	Subject to the exigencies of the service, the same officers may grant extensions for such periods not exceeding six months as they consider advisable. (iii) Compassionate farm leave will be without pay of any kind or allowances of any kind, or subsistence, and soldiers will not be entitled to medical or dental attention, hospitalization, or compensation due to illness, injury, or death, while on compassionate farm leave. (b) By the detailing for duty on farms (known as farm duty) of certain designated personnel under authority of P.C. 5931, as outlined in appendix "C" of C.A.R.O. 3456 and under the provisions as outlined in appendix "B" of C.A.R.O. 3456. (i) In order to meet the present emergency in addition to the granting of compassionate farm leave, men may be directed to work on farms under arrangements to be made by G.O.C.s. and D.O.C.s. with the director, dominion-provincial farm labour plan. Requests for soldiers for farm duty will be made in writing by the director, dominion-provincial farm labour plan, to the G.O.C. or D.O.C. concerned. (ii) Personnel from which assistance may be provided are (a) personnel in disposal wings of depots; (b) personnel in home war establishments who by readjustment, and rearrangements it may be possible to release for the time being. Regard shall be had to the continuing withdrawal of general service personnel for overseas duty; (c) personnel in operational units, also having regard to the continuing withdrawal of general service personnel for overseas duty; (d) personnel of the Veterans Guard of Canada. (iii) Normally the period of absence of such personnel from their units will not exceed 30 days, but in exceptional cases G.O.C.-in-C. or D.O.C. may authorize such reasonable leave extension as they may see fit.	(b) This leave is not available to any personnel undergoing training including aircrew under recruit's training at manning depots, except on extreme compassionate grounds. (c) Personnel who have not completed annual leave may if desired be granted annual leave with pay and allowances, plus the remainder without pay and allowances to complete the maximum of two months. (d) Where annual leave has been completed, the entire period of leave granted will be without pay and allowances. (e) This leave is to be granted only to those personnel who wish to return to their own farms or to farms operated by their parents and is subject to the exigencies of the service. Personnel required for posting or duty may be recalled before the termination of the leave period."

100—77½

6. Special Leave

(a) Special periods of leave in excess of 48 hours granted in Canada such as Christmas leave, leave in accordance with Naval Order 2877, leave for R.C.N.R. officers to sit for mercantile marine certificates, etc., are to be deducted from normal leave. (Naval order 3241, para. 20).

(b) Survivors' Leave—Up to 28 days as recommended by the medical officer plus travelling time may be granted whether or not there is any normal leave due and may be granted in addition to normal leave, but must not run consecutively with such leave. (Naval order 3241/43, para. 14).

7. Political Leave

May be granted as provided for in Order-in-Council P.C. 3205, dated 31st May, 1943.

8. Sick and Convalescent Leave

Sick or convalescent leave may be granted at the discretion of commanding officers, on recommendation of the medical officer. Not more than two months sick or convalescent leave is to be granted at any time. Officers and ratings are to be medically re-examined on completion of any leave so granted. (Naval order 3241/43, para. 16).

6. Special Leave

Nil.

7. Political Leave

May be granted as provided for in order in council, P.C. 3205, dated 31st May, 1943.

8. Sick Leave and Furlough

(a) Officers may be granted sick leave under the provisions of K.R. (Can.), para. 1113.

(b) Other ranks may be granted sick furlough for a period not exceeding 60 days without a medical board provided they are not being considered for discharge on medical grounds by general and district officers commanding. Sick furlough in excess of 60 days will not be granted without recommendation of a medical board. (C.A.R.O. 3397).

6. Special Leave

(a) Isolated Units.—On completion of a tour of duty of not less than six months at isolated stations on the east and west coasts, personnel may be granted 7 days special leave in addition to annual leave authorized. (A.F.A.O. A.24/5, para. 6).

(b) Between Courses.—Commanding officers on the authority of D.A.P.S. may grant leave to aircrew trainees up to a period not exceeding 14 days on receipt of posting instructions in the following circumstances:

(i) if time is available between courses (including operational training and advanced training) or

(ii) when retained at a unit pending posting instructions, or,

(iii) if subsequent to course commencement at a new unit such trainees are surplus to course requirements.

(c) Special Aircrew Leave

(i) It has been agreed between air ministry and R.C.A.F. headquarters that aircrew personnel of the R.C.A.F. serving in the U.K. may be granted special leave to proceed to Canada after the completion of an operational tour plus an instructional tour at an O.T.U. or other tour of non-operational duties.

(ii) The period of special leave in Canada, including outward and return passages, will not exceed eight weeks.

7. Political Leave

May be granted as provided for in order in council P.C. 3205, dated 31st May, 1943.

8. Sick Leave

Sick leave is to be granted by commanding officers in accordance with instructions contained in K.R. (Air), para. 286, which states that sick leave for a period not exceeding six months in the case of an officer and two months in the case of an airman may be granted by a commanding officer on the recommendation of a medical officer, or, where a medical board has been assembled on the recommendation of the medical board.

Comparative Table of Leave Entitlement for the Armed Forces in Canada—*Concluded*

Royal Canadian Navy	Canadian Army (Active)	Royal Canadian Air Force
		Note.—A medical board shall be assembled before sick leave is granted to an officer or airman for a period of time exceeding 28 days, including any periods of sick leave granted during the previous six months.
9. Essential Industry As laid down in para. 5 above.	9. Essential Industry Soldiers of the active army, including N.R.M.A. personnel serving as "members (H.D.)" may be granted leave to return temporarily to war industry under the following conditions: (a) The application for the return of a soldier to temporary civil employment must be originated by the employer who will submit it to the officer commanding the unit in which the soldier is serving, giving complete information as to the nature of the man's employment before enlistment, and future employment if granted leave, indicating the nature of work, grading, and rate of wages, and verifying that no other suitable man could be obtained, from an employment bureau or any other source. The employer will show what effort he has made to train other men to do the work of the soldier on whose behalf application is made and will state the length of time during which the soldier's services will be required in civil employment. Only applications in respect of men considered craftsmen, and not apprentices, will be entertained. (b) All leave so granted will be without pay and allowances. (c) The soldier at all times, will be subject to recall to military duties on 48 hours notice. (C.A.R.O. 1935/42).	9. Return to War Industry Personnel are not to be granted leave to return to industry. (A.F.A.O. A.24/5, para. 13).
10. Travelling Time Royal Canadian Navy personnel on normal leave when the journey by the most direct route to and from the home of an officer or rating exceeds 24 hours, are granted additional leave to cover the period of travelling in excess of 24 hours each way. Such additional travelling time is granted once annually. Naval order 3241/43. (Reference para. 1 above R.C.N.).	10. Travelling Time Travelling time for Canadian army (active) personnel in Canada is not granted, in addition to leave periods, except for embarkation leave, when personnel warned for overseas service may be granted leave or furlough sufficient to provide two clear days at home.—Canadian active service routine order 699/40, para. 4. (Reference para. 2 above C.A.S.F.).	10. Travelling Time Travelling time for R.C.A.F. personnel in Canada is not granted, in addition to leave periods, except for personnel stationed at isolated units on the east and west coasts. An additional leave period not to exceed 5 days in any case is granted to personnel of such isolated units to cover time actually required for the journey to the mainland or railhead and return having due regard to the method of travel, i.e., air or sea. (Reference para. 6 (a) above R.C.A.F.)

Mr. NEILL: It is not clear to me yet why these girls should get practically no leave at all while soldiers get as much as five days paid travelling time. This girl went from Toronto to the far side of British Columbia, and she had only four days at home.

Mr. POWER: I do not know how the time would figure out, but the army get two clear days at home, as I understand it, while the air force get fourteen days all told.

Mr. NEILL: That is not enough; it is not fair.

Mr. POWER: I am not arguing for the army. They get two clear days at home while we get fourteen days to make the trip, stay at home and return.

Mr. NEILL: But that discriminates against the remote places.

Mr. GRAYDON: The minister is making a better case than I thought he would make, but even at that it falls short of being a convincing case. It seems to me that under this plan you cannot help having discrimination against places which are located at a distance. I do not think there should be any discrimination because a person happens to live far away. After all, one Canadian is just as good as another in the air force, and I do not think a person's leave should be cut down by virtue of the distance he may have to travel. I think the minister should give consideration to the whole question of leave in relation to travelling time.

Mr. POWER: I am rather inclined to agree with my hon. friend. I had an idea that they got more leave than this, and I do not believe this is very satisfactory.

Mr. ROSS (St. Paul's): I have always wondered how the posting of recruits in the air force was arranged. For instance, we may find someone from Toronto posted to Vancouver, and someone from Vancouver posted somewhere else. There is probably a very good reason for this, and that reason may have much to do with the difficulty of arranging leave. I had thought that in connection with the first part of the training—I think they call it pre-I.T.S., do they not?

Mr. POWER: Yes.

Mr. ROSS (St. Paul's): I have often wondered why the boys should be sent so far away. Probably they like to go, because they enjoy seeing the country—and when I say that I speak from experience. On the other hand, they are a long way from their homes. Is there any other reason why they are posted at long distances from home?

While I may not be in order, I should like to ask a further question. Last year the minister gave us an idea of the length of time it took to train aircrew of one kind or another; that is, pilots, gunners, navigators, radio operators and so on. I do not know whether he would care to give us that information again, and if he does not I shall not press for it. I believe, however, that the information would be of interest, because he has told us the courses have lengthened materially from what they were last year.

Then we must consider the cost of transportation for the forces. They do get a reasonable rate when they are travelling on leave, but I do not think it would cost the country very much to give them free transportation either on annual or on embarkation leave. I do not believe that privilege would be abused. Probably in respect of a 48-hour leave it is proper to have them pay on a reasonable basis; but when they have either embarkation or annual leave I can see no reason in the world why they should not have their transportation free, and receive decent accommodation.

The hon. member for Danforth has just spoken about civilians giving up their places in cars to air force men, and men in the army and naval forces. I agree with the hon. member, and I believe some other arrangement ought to be made whereby these lads might be given better consideration. I have seen them standing all the way from here to Toronto on the afternoon train. It does not seem right that they should have to do that.

Mr. POWER: I would say that postings present a very difficult problem. We have been trying as far as possible not to post men too far away, and to keep them within the command at which they entered the service. But it often happens that a course has to be filled. A class may be opening on a certain date, and has to be filled by pupils who have entered their training in Ontario. The course in question may, for instance, be in Alberta, and we have to send men out there. The same applies all along the line. Sometimes it looks easy on paper to say that so many hundred will graduate at a certain date from such-and-such a school from, let us say, Toronto. They may have gone to E.F.T.S. at some point close to Toronto. In that event it would be St. Catharines. Or, in respect to Ottawa, it would be Pendelton. After going through that school they would move to S.F.T.S. at Uplands. But it does not always work out that way.

Our people are constantly striving to prevent extra travelling by posting the men, in so far as possible, within the area whence they started their training.

With respect to the length of time required, I can give only approximate figures, because the time is constantly changing. At the time this estimates book was prepared, namely around October, a pilot in service flying training school stayed sixteen weeks; a navigator-B stayed in navigation training school twenty weeks; a navigator-W stayed in navigation training school twenty-two weeks; a straight navigator stayed twenty weeks; air bomber, six weeks; air gunner, twelve weeks—I believe that has been raised. Then, W.O.A.G., six weeks, and flight engineers two weeks. On top of that I believe there are twenty-eight weeks somewhere else.

There have been constant changes, and in order to estimate how long a man would be in training I would have to find out in what category he was, the availability of places in schools, and the backlog in reserve. Sometimes they stay two months on tarmac duty before they enter their training schools. Then they go from that school to elementary, on to service flying; from there to operational training, and so on. I would not guarantee that anyone would become a pilot nowadays under eighteen months.

Mr. FRASER (Peterborough West): Last year under this item we passed an estimate of $20,838,068. The sheet this year shows that that amount was exceeded, and the actual cost was over $6,000,000 more; it was jumped up to $26,730,000. Could be minister tell us why he estimated last year's expenditures would be $20,838,068, and he had to spend $26,730,000? I notice that this year his estimate is a million dollars more than that, again.

Mr. POWER: The estimate for travel and transportation requirements for personnel of the J.A.T.P. and western hemisphere organization is calculated at the rate of $50 a head. The actual expenditures to date indicate the cost to be approximately $100. The cost is higher than we estimated.

Mr. ROSS (St. Paul's): This afternoon the minister gave us an idea of how much was split up between the railways for transportation on leave. If we were to pay transportation for the lads on embarkation and annual leave, how much would it cost the country?

Mr. POWER: I think I put that on *Hansard* this afternoon.

Mr. GILLIS: I do not think this matter of leave should be so difficult to settle. There has been a good deal of complaint. The minister states that as far as possible they are posting R.C.A.F. personnel in Canada close to their own homes, or in the provinces in which they live. If that is the policy, then there should not be many in stations east and west who would have to be transported. The suggestion I have with reference to men posted from Quebec to Alberta or British Columbia is a very simple one. They claim all that is required in addition to the fourteen days' leave now granted is the addition of the 48-hour pass to which they would be entitled, were they back in their stations. Apparently in some commands that is done, but in the eastern air command it is not done when granting leave to those travelling west of Ontario; they do not include the 48-hour pass. The suggestion I have is that if that were done it would solve the problem. Another question I should like to ask is in connection with R.A.F. personnel attached to the Canadian forces in Canada. Are they subject to the same leave regulations as members of the Canadian forces while they are serving in Canada?

Mr. POWER: Yes.

Mr. GILLIS: They claim that in England they get four weeks' leave and four travelling warrants and eight 48-hour passes. The question is why that practice is not followed out in Canada with reference to that particular personnel.

Mr. POWER: We are less generous with regard to leave and warrants than they are, but do not forget that these men get Canadian rates of pay. I think they would be sorry to give up their rates of pay in order to get the leave advantages.

Mr. GILLIS: The British government taxes a lot of it back from them.

Mr. NOSEWORTHY: A number of hon. members have raised the question of the cost of travelling for boys and girls in the air force when on leave. A suggestion was made in the house last year that those required to travel long distances should not be required to pay more than a maximum mileage. If personnel were being moved more than 500 miles away from their homes the suggestion was that no one should be required to pay more than a maximum amount.

Mr. POWER: A ceiling on the amount the personnel should have to pay. The last time I heard this matter discussed was about two or three weeks ago and I think it is still under active discussion. It is one solution of what is admittedly a difficulty. I do not know just what stage it has reached now. These matters are discussed in order to arrive at

some common policy, and I know that for some time that solution was being discussed but it certainly has not come into effect as yet.

Item agreed to.

4. Construction, purchase, repairs and operating expenses of properties—
(a) Capital expenditure, $39,750,000.
(b) Repairs, operating expenses and rentals, $17,689,838.

Mr. STIRLING: Will the minister give us some explanation of this item which I see is about half of what it was last year. Will he describe how the $56,000,000 is to be spent. Several times reference has been made to establishments being closed in different places in Canada. What use is being made of these places and are they to be fitted into the general scheme which is being considered for the use of military establishments of various descriptions after the war?

Mr. POWER: I would have to divide in two the answer to the last question. The hon. member, coming as he does from British Columbia, is probably referring mainly to defensive aerodromes, and for security reasons I had better not say anything about those that are closed. In my opening remarks I stated that there were four agencies which would study the use to which aerodromes could be put. First, there was the post-war civilian aviation committee of the war committee which is now endeavouring to work out some means of utilizing these for post-war civil aviation. Next, there is the Department of Pensions and National Health which will require accommodation at some time or another for convalescent homes or for the training of returning soldiers. Next, there is the Department of Labour which is seeking to obtain space for vocational training. Fourth, there is the Department of Transport which inevitably will come into possession of the aerodromes which we are abandoning for air force purposes.

Mr. STIRLING: Are these establishments just being cared for now by caretakers?

Mr. POWER: They are being put on care and maintenance. This closing-down policy with regard to the empire training plan has only been developed to any extent within the last two weeks. We are just looking around. With regard to defensive aerodromes, we are gradually moving to the point where we have concluded that some of these need not necessarily be garrisoned at this time because of the favourable turn in the war situation.

No specific provision has been made for the construction of new projects in 1944-45. Expenditures for new construction will be limited to the cost of items which must be provided during the year and liquidating existing contracts in respect of construction work now in progress. Perhaps the committee will be interested in the following figures which show the cash requirement for 1944-45:

Joint air training plan	
Operating expenses	$ 6,979,741
Construction	18,000,000
Repairs	3,120,000
Total	$28,099,741
Western hemisphere operations	
Operating expenses	$ 4,295,000
Construction	21,000,000
Repairs	2,641,000
Total	$27,936,000
Overseas	$ 594,000

I have some other statistics which may be of interest and which can be placed on the record.

Mr. STIRLING: The minister did not give any figures covering purchases.

Mr. POWER: Construction would include purchases.

Mr. STIRLING: Are lands and buildings being purchased at this stage?

Mr. POWER: No; there is nothing proposed to be purchased this year. This is a summary of the buildings erected under the British commonwealth air training plan:

Number of hangars	494
Number of drill halls	98
Number of other buildings	5,476
	6,068

Paving. Concrete and bituminous surfaces and the paving of runways, taxi strips, parking areas, et cetera, 251,116,000 square feet or 2,377 paved miles 20 feet wide.

Parade grounds, 9,000,000 square feet or 91 paved miles 20 feet wide.

Paved hangar floors, 18,000,000 square feet or 177 paved miles 20 feet wide.

Total, 2,648 paved miles 20 feet wide.

If the committee is interested I have a long list of places where construction has been stopped, where construction had been planned and has since been stopped because of the closing of some of our units. This is four or five pages long and since it is mainly of local interest perhaps it need not go on *Hansard*.

Mr. STIRLING: Would the cost of dealing with snow conditions come under this item of operating costs?

Mr. POWER: Yes.

Mr. McIVOR: I think we should have the places that are closed put on *Hansard*. I notice there is a reduction of $54,000,000 in this item and I should like to know if any other airfields are to be closed?

Mr. POWER: As I indicated to the hon. member for Yale, we have not definitely arrived at the indication of what particular

air units are to be closed. Within two or three days I shall have a list of the schools which are to be closed up to about September 1, and shall be glad to place it on *Hansard*.

Mr. PERLEY: Are any schools in Saskatchewan to be closed?

Mr. POWER: Yes, there are schools all over.

Mr. PERLEY: Would the minister name them?

Mr. POWER: When I give them all.

Mr. NOSEWORTHY: Has the minister any figures regarding the cost of grading and the amount of gravel used at Mount Pleasant airport in Prince Edward Island as compared with normal airports?

There is another point. I found last summer that large numbers of groundcrew who were enlisted in the air force were working for the construction contractor. Is that the usual practice, and what are the terms of payment? How much does the contractor pay to the government for the difference in their pay? Just what is the arrangement?

Mr. POWER: I could not give the cost of grading at Mount Pleasant offhand; it will take time to dig that up.

With regard to my hon. friend's other point, some time ago we found it impossible to get contractors to do work in isolated places, particularly in the northern parts of British Columbia and along the east coast—along both coasts—especially for the building of small units to house from four or five to ten men. It was impossible to get contractors to do the work in isolated places along the coast and to look after the maintenance of a number of stations on the northwest staging route, for instance, or along the coast of Newfoundland, Labrador and the Pacific. Therefore we formed what are known as construction and maintenance units and enlisted in them are tradesmen of all kinds. The maintenance units have been carrying on that work for us in places where we could not get a contractor to do the work. Recently, now that the manpower shortage has eased up a bit, we are doing some of this work in the more settled portions, in Halifax, for instance. There was some protest there from labour unions, but we said that we would take all the civilians we could get to do the work and that we would withdraw our men in equal proportion to civilian labour we could secure. I can assure my hon. friend that it was not with any intention of taking work away from civilians but simply to get the work done where we could not get civilian labour.

[Mr. Power.]

Mr. MacNICOL: Would the tradesmen to whom the minister has just referred as having enlisted in the air force be paid union rates of pay or air force rates when they worked in these camps as plumbers, steamfitters, carpenters and so on?

Mr. POWER: We have trade rates of pay for all these classes, and a fitter would be paid more than less skilled tradesmen, and so on.

Mr. MacNICOL: Will a portion of this item be used for the construction of the camp at Mossbank, Saskatchewan?

Mr. POWER: That work was pretty well finished before the maintenance units were formed. There may be still some maintenance work to do there, such as the fitting of doors and windows or work of that kind—repairing the tarmac, for instance.

Mr. PERLEY: From how many miles did they have to bring the water for Mossbank?

Mr. POWER: I do not think our maintenance units were engaged on that.

Mr. MacNICOL: Where does Mossbank camp get its water?

Mr. POWER: I shall have to look over my last year's answer to that question. I answered it last year and the year before, and I do not think the answer was ever satisfactory to anybody. I really could not say offhand. Perhaps that answer is not satisfactory. Then I shall have to find another answer if I can.

Mr. MacNICOL: I have been trying to find out for three years where Mossbank camp is getting its water supply.

Mr. NOSEWORTHY: To return to the question of pay, the boys I met last summer enlisted as aircrew and were receiving $1.30 a day, with no extra pay as tradesmen. They were working for a contractor at $1.30 a day and were getting nothing extra. I was wondering if the contractor was paying anything to the government.

Mr. POWER: They should not have been working for that if they were aircrew; I cannot understand aircrew being on maintenance work. Perhaps my hon. friend would give me the details.

Mr. NOSEWORTHY: The men were groundcrew, working for the contractor and receiving regular air force pay of $1.30 a day. They were just new recruits.

Mr. POWER: The money coming from the contractor goes to the receiver general. These men must have been doing the same kind of work they would have been doing as ground-

crew at the station. Had they been doing tradesmen's work they would have received tradesmen's rates of pay.

Item agreed to.

5. Personnel, supplies and services: Food, medical and dental stores, clothing and personal equipment, $38,515,252.

Mr. GILLIS: Is there any regulation specifically covering recreation facilities at air force stations? I know of one station where moving pictures are brought in and operated by an outside concern, and the boys at that station are obliged to pay an admission fee of twenty-five cents to see the show. My recollection is that when the last canteen fund committee sat, it was understood that all canteen funds were to be used to provide recreation facilities in and around any of these camps and stations, and I am wondering if the boys at the station I have in mind are not being exploited. Upon making inquiries I find that at some stations the boys are charged nothing, and at others they are charged ten cents, but the station I have in mind charges twenty-five cents. It is not because the entertainment is extraordinary; it is just the regular run-of-the-mine show as provided at all the stations and camps across Canada. Would the minister care to comment on that?

Mr. POWER: I would think it was a civilian moving-picture organization using one of our recreation halls and getting it rent free, light free, and accommodation free, and that if any profits were made they would go to the canteen fund to be used for the benefit of the men. I have never heard of twenty-five cents being charged, but it might have been done without my knowing it. It is a matter of arrangement between the canteen committee and the person showing the pictures.

Mr. GILLIS: It is the station at Sydney I have in mind, and the boys there think they are being exploited.

Mr. POWER: I shall certainly be glad to look into the matter. My impression is that any profits would accrue to the canteen fund. I cannot see how we would give the use of the hall free, and free light and heat, if necessary, just for the purpose of making some money for a civilian concern. If that is being done, it will certainly be stopped.

Mr. GILLIS: Does the minister's department get a report on these canteen funds? I understand that the reverse is true; the canteen funds were to be used for that purpose instead of the canteen fund being provided in that way with extra profits. Is a report on canteen funds at the R.C.A.F. stations made to the department?

Mr. POWER: Yes; every quarter our financial people receive a report on canteen funds from every station, from every unit.

Mr. MACDONALD (Brantford City): In 1942 a special committee was appointed to consider the whole question of canteen funds. At that time the committee was advised that one per cent of the gross sales of all canteens operated by the R.C.A.F. was paid to the R.C.A.F. benevolent fund. It was further represented to the committee that the only persons entitled to benefit from the R.C.A.F. benevolent fund were members of the permanent force. The committee recommended that no further payments should be made to the benevolent fund until provision was made that all members of the Royal Canadian Air Force now serving should be allowed to participate in that fund. I would ask the minister if that recommendation has been put into effect.

Mr. POWER: I would say yes: the benevolent fund now is for the benefit of all members of the R.C.A.F., past, present and future.

Mr. FRASER (Peterborough West): I have had complaints from boys who have had their "medical" in the different air force pools and have then been told that they would have to report at a certain time. When they report they are lined up, perhaps with ten or more other boys, to go through, and then one, two or three of them are called out and told, "Well, now, you have not a full medical", or some other reason is given, and they are not allowed into the air force. Perhaps these boys have been counting for three or four months on going in, and it is certainly a great disappointment to them. Could the minister arrange that these boys shall have a full medical?

Mr. POWER: Have what? A full medical?

Mr. FRASER (Peterborough West): Yes. I do not know the reason for this practice. It may be that there is something about a boy which determines them not to accept him, but it works a hardship on these lads. Many of them have had going-away parties attended by a number of their friends, and it is pretty hard for them to return to their ordinary life again.

Mr. POWER: If my hon. friend will tell me where this has occurred I shall be only too glad to check up with the medical officers.

Mr. FRASER (Peterborough West): I shall do that. I put a question on the order paper some days ago with regard to the clothing supplied to our boys overseas. It appears that

Great Britain supplies these uniforms. Some of the boys complain that the uniforms which they are getting there are not of as good quality as those supplied here. Is there a chance of their receiving uniforms from Canada? They state that the clothes they get overseas are a little coarser and are not as comfortable.

Mr. POWER: We have had that complaint before. We have made representations to Great Britain. My hon. friend will realize that if we started distributing uniforms and all the other equipment overseas we would have to set up a pretty big establishment, a kind of ordnance corps, overseas, and I do not think that at this stage we are justified in doing so.

Mr. FRASER (Peterborough West): I hardly meant that. There are friends of these boys who are quite willing to buy clothes and send them over. Would they be allowed to do that?

Mr. POWER: I have never heard of any "other ranks" in either the army or the navy or the air force buying their own clothing, and I am sure that if we permitted such a thing there would be a howl of indignation from this house which I would never get over.

Mr. FRASER (Peterborough West): There are some who would be willing to supply the clothing.

Mr. ROSS (St. Paul's): Do the Royal Canadian Air Force make their own messing arrangements or are they supplied by the army service corps?

Mr. POWER: The army service corps feeds us.

Mr. ROSS (St. Paul's): There are only one or two of these training schools about which I have had complaints, but one about which I have heard several, is Lachine. I do not know whether the minister has had any complaints along these lines. I was wondering whether the R.C.A.F. have general supervision, over and above the army service corps.

Mr. POWER: We cook the food and serve it and all that. We get our supplies from the army service corps, and we look after all the messing.

Mr. ROSS (St. Paul's): You look after all the cooking?

Mr. POWER: Certainly, and wash the dishes.

[Mr. G. K. Fraser.]

Mr. ROSS (St. Paul's): Has the minister had any complaints about that sort of thing at Lachine?

Mr. POWER: Not lately. Off and on, I suppose, I have had complaints with respect to pretty nearly every station of the air force. As soon as we get a complaint we hand it on to the chief messing officer of the particular command, and he makes an investigation and reports to me. Usually the matter is cleared up. I have not had anything lately with regard to Lachine; that is, not for the last six months or a year. It may develop rapidly, and sometimes it evaporates just as rapidly when checked up.

Mr. ROSS (St. Paul's): These lads who have been to camps all over the country usually have nothing but praise for the food; they do not think it could be bettered. But there are just one or two exceptions, among them Lachine. That is why I asked the minister if there is something wrong with the place, because I have had several complaints about it.

Mr. POWER: Lachine has changed its organization. It was a manning depot; it is now a "Y" depot, and probably the whole organization of messing has been changed in the last two months. If my hon. friend receives another complaint and will let me know, we shall have a look at it.

Mr. WRIGHT: I have a question with respect to Canadian personnel serving in the Royal Air Force overseas. I understood the minister to say that the British government supplies them with their personal equipment, rations, et cetera. What is the financial arrangement with respect to that? Does the Canadian government reimburse the British government? Also, what is the position with regard to expenditures, say, on ammunition, wastage in aeroplanes and equipment which our men who are attached to the R.A.F. are using?

Mr. POWER: That is all in the lump sum payment of $345,664,944, item 13, maintenance of overseas squadrons for the year 1944-45. It also includes all our personnel overseas.

Mr. WRIGHT: What is the arrangement with regard to the personnel in the R.A.F.? Is that paid on a per capita basis?

Mr. POWER: Yes.

Mr. MacNICOL: On page 394 of *Hansard* I find that item 5 in the list of estimates contains "personal equipment", as well as "personnel". The words "personal equipment" are not in the typewritten list. If the item as

detailed on page 394 of *Hansard* is correct, what is included in personal equipment?

Mr. POWER: My hon. friend is talking about item 5 at page 394 of *Hansard?*

Mr. MacNICOL: Yes.

Mr. POWER: It reads: "Personnel supplies and services: food, medical and dental stores, clothing and personal equipment." In my sheet the words are "personal supplies." I think it is the same. The list is: "Personal supplies and services, clothing, rations, barracks stores, laundry and medical."

Mr. MacNICOL: Personal equipment is left out?

Mr. POWER: Yes. Clothing would cover that, I suppose. Rations would be food. I think it is intended to cover the same thing anyway, although there might be a different enumeration.

Mr. FRASER (Peterborough West): Are there any psychiatrists in the medical service of the air force?

Mr. POWER: Eighteen.

Mr. FRASER (Peterborough West): How many of those are overseas?

Mr. POWER: I have not that with me; I shall have to find out.

Mr. FRASER (Peterborough West): The reason I ask that is this: I notice in the British *Hansard* that twenty-three per cent of the men discharged from the British army were discharged for psychiatric reasons. I wondered if the minister had a good staff from over there?

Mr. POWER: We have the number of discharges from the air force for various reasons.

Mr. FRASER (Peterborough West): Can the minister give them?

Mr. POWER: I shall give the numbers. Perhaps I had better put the table on *Hansard.* It is rather interesting, being a reconciliation of present strength of R.C.A.F. personnel to total who have served in the present war:

Reconciliation of present strength of R.C.A.F. personnel to total who have served in present war

	Officers	Airmen	Officers (W.D.)	Air-women	Total
Total names recorded	33,639	214,270	648	16,549	265,106
Less duplication—number commissioned from the ranks	....	25,392	...	579	25,971
Total who have served	33,639	188,878	648	15,970	239,135
Less:					
Loss by casualty	3,495	7,976	2	10	11,483
Final discharge	....	14,933	...	1,303	16,236
Retirements	1,399	....	20	....	1,419
Resignations	312	....	7	....	319
Deserters—					
Americans (discharge action pending)	6	433	...	3	442
Other deserters	12	198	...	2	212
*Leave—definite	....	1,372	...	....	1,372
indefinite	23	895	...	....	918
Taken on strength not yet entered on records	....	32	...	....	32
Total	5,247	25,839	29	1,318	32,433
Present strength R.C.A.F	28,392	163,039	619	14,652	206,702

*Personnel on definite leave are aircrew recruits, and occasionally a very small number of ground tradesmen, enlisted and ordered to report on a definite date in the near future. Personnel on indefinite leave comprise aircrew and groundcrew employed by civilian operated R.C.A.F. schools and W.E.T.P. schools, and a few personnel released temporarily to private industry.

I have the break-down here. It is long, but I shall give it to my hon. friend.

Mr. FRASER (Peterborough West): The minister said that some were definite and some indefinite among those who had not been posted; is that so?

Mr. POWER: That is right. The number of discharges were—perhaps these figures do not gibe because they are a week earlier than the ones I gave. I gave the total discharges as 16,236. I have the break-down here. It is quite long, but I shall put it on *Hansard:*

A.M.O./D.S.D. 28th February, 1944

(a) Discharges

(i) Reasons for discharge:

In accordance with K.R. (air)—1943, para. 195, the following are the reasons for which airmen and airwomen may be discharged from the R.C.A.F.

(1) Having been irregularly enlisted;
(2) Having made a false answer on attestation;
(3) Having made a misstatement as to age on enlistment and being:
  (a) under 17 years of age at date of application for discharge, or
  (b) between 17 and 18 years of age at date of application for discharge;
(4) Not likely to become an efficient airman for any one of the following reasons:
  (a) being considered within three months of enlistment unsuited for further service,
  (b) having become unsuited for further training in the trade in which he was enlisted;
(5) By purchase (except on active service):
  (a) having claimed his discharge on payment of $80 within three months of his attestation,
  (b) after three months' service on a three-year engagement on payment of $4 per month of unexpired service.
  (c) after three months' service on a five-year engagement, on payment of $2.50 per month of unexpired service;
(6) Having claimed his discharge for purposes of pension (except on active service);
(7) To take up civil employment;
(8) On compassionate grounds;
(9) Having been convicted by the civil power before or during his service;
(10) For service misconduct;
(11) Having been sentenced to be discharged with ignominy;
(12) (a) medically unfit for any form of air force service,
  (b) medically unfit for air force service under existing standards;
(13) The termination of his period of engagement;
(14) Having reached the age limit for further service;
(15) On appointment to a commission in the air force;
(16) For the purpose of appointment or enlistment in another force;
(17) His services being no longer required (reason to be specified). Airmen and airwomen are discharged under this para. for miscellaneous reasons and when none of the other specific reasons apply;
(18) Demobilization.

(ii) Number of discharges:

The number of airmen and airwomen discharged up to and including January 31, 1944, and the reasons for their discharge are as follows:

		Airmen	Airwomen
(1)	Having been irregularly enlisted	136	20
(2)	Having made a false answer on attestation	5	1
(3a)	Having made a misstatement as to age on enlistment and being under 17 years of age at date of application for discharge	34	6
(3b)	Having made a misstatement as to age on enlistment and being between 17 and 18 years of age at date of application for discharge	38	9
(4a)	Not likely to become an efficient airman—being considered within three months of enlistment unsuited for further service	268	12
(4b)	Not likely to become an efficient airman—having become unsuited for further training in the trade in which he was enlisted	2,124	6
(5a)	Having claimed his discharge on payment of $80 within three months of his attestation	..	..
(5b)	After three months' service on a three-year engagement on payment of $4 per month of unexpired service	..	..
(5c)	After three months' service on a five-year engagement on payment of $2.50 per month of unexpired service	..	..
(6)	Having claimed his discharge for purposes of pension (except on active service)	2	..
(7)	To take up civil employment	54	1
(8)	On compassionate grounds	321	118
(9)	Having been convicted by civil power before or during his service	118	..
(10)	For service misconduct	263	2
(11)	Having been sentenced to be discharged with ignominy	29	..
(12a)	Medically unfit for any form of air force service	6,130	375
(12b)	Medically unfit for air force service under existing standards	179	11
(13)	The termination of his period of engagement	..	..
(14)	Having reached the age limit for further service	1	..
(15)	On appointment to a commission in the air force	24,349	514
(16)	For the purpose of appointment or enlistment in another force	2,206	1
(17)	His services being no longer required (reason to be specified) airmen and airwomen are discharged under this para. for miscellaneous reasons and when none of the other specific reasons apply	2,886	705
(18)	Demobilization	...	...
		39,143	1,781
	Total airmen and airwomen, including discharges to commissions		40,924

[Mr. Power.]

(iii) Terms of rehabilitation following discharge, etc.:

Rehabilitation benefits for other ranks include the following:

(1) Rehabilitation grant—30 days' pay, and dependents' allowances where applicable, if six months' continuous service has been recorded.
(2) Clothing allowance—$65.
(3) Transportation—transportation with travelling expenses is provided to the point of enlistment, or to the place of residence at the time of enlistment, or to any point in Canada that can be reached without additional expenditure.

(b) Retirements and Resignations of Officers.

(i) Reasons for retirement or resignation:

Reasons for retirement are as follows:

Medical grounds; transfer to U.S. forces; unable to meet service requirements; retired to pension; other reasons (including over-age, cannot be advantageously employed, and return to civilian employment).

Reasons for resignation are as follows:

Compassionate grounds; transfer to other armed forces; unsuitable for service life; other reasons (including over-age and return to civilian employment).

(ii) Number of retirements and resignations:

The number of retirements and resignations from the outbreak of the present war to 31st January, 1944, is as follows:

Retirements:	
Medical grounds	227
Transfer to U.S. armed forces (in Canada)	504
Transfer to U.S. armed forces (overseas)	371
Unable to meet service requirements	175
Retired to pension	10
Other reasons	139
Total retirements	1,426
Resignations:	
Compassionate grounds	42
Transfer to armed forces (other than U.S.A.)	50
Unsuitable for service life	127
Other reasons	91
Total resignations	310
Total retirements and resignations	1,736

The above figures include retirements and resignations approved by the minister but not yet promulgated as at 31st January, 1944. Also included are 15 retirements and 7 resignations of officers of the R.C.A.F. (W.D.).

(iii) Terms of rehabilitation:

Rehabilitation benefits for officers include the following:

(1) Rehabilitation grant—30 days' pay, and dependents' allowances where applicable, if six months' service has been recorded.
(2) Clothing allowance—no clothing allowance is provided for officers.
(3) Transportation—transportation with travelling expenses is provided to the point of enlistment, or to the place of residence at the time of enlistment, or to any point in Canada that can be reached without additional expenditure.

Mr. WRIGHT: I should like to ask the minister a question with respect to medical services rendered to aircrew injured in Canada. Is there any discrimination as between ranks? It was brought to my attention recently that in an accident a sergeant pilot and a wing commander were injured. The sergeant pilot was placed in the public ward in one of our hospitals, while the wing commander, who was not injured as seriously as the sergeant pilot, was given a private room with a special nurse. I am wondering if that discrimination exists.

Mr. POWER: I am inquiring about the answer. I do not know. It may well be that that happens. I shall look into it. Is the hon. member speaking of an accident that happened recently at St. Hubert?

Mr. WRIGHT: Yes.

Mr. POWER: I shall find out.

Mr. BROOKS: The question I am about to ask may not arise out of this item, but it arises in connection with the minister's state-

ment with regard to the number of Americans discharged from the Canadian air force. How many United States pilots are there in the Canadian air force at the present time?

Mr. POWER: I can find out. I think between two thousand and three thousand were returned home. Some are represented as deserters. Some of them have done very well in their own service, but they did not say, "Thank you, good-by," before they left, and they were put down as deserters. I am clearing them up.

Mr. BROOKS: In the casualty lists that we receive there are a great many Americans.

Mr. POWER: I can get that figure, but we shall have to subtract from that number the number who have returned to the United States forces. I did have some pretty clear information as to what the number was a couple of years ago, but it has slipped my memory since that time. They were very numerous. I shall put it on the record.

Mr. ROSS (St. Paul's): Are musical instruments supplied to the bands? It is very important that we have lots of bands.

Mr. POWER: We have lots of bands. I am told by my Scottish and musical friend, the Minister of Pensions and National Health, that we have the best bands in Canada. He ought to know.

Mr. ROSS (St. Paul's): I do not agree with the minister; I know of many pipe bands that are a little ahead of that one, though it is a very good band.

Mr. POWER: I should say my colleague was not a good judge of music; he plays the bagpipes.

Mr. ROSS (St. Paul's): Some people understand music and others do not; you have to be Scotch to really understand it. I just wanted to know whether these instruments were supplied, because I think it is wonderful to have bands of one kind and another.

Mr. POWER: We have bands both here and overseas.

Mr. ROSS (St. Paul's): Do you supply the instruments?

Mr. POWER: Yes:

Item agreed to.

6. Signal and wireless equipment, line construction, etc., $34,654,365.

Mr. STIRLING: Are all these instruments and materials purchased through munitions and supply?

Mr. POWER: Yes; everything.

[Mr. Brooks.]

Mr. STIRLING: Does the minister indicate his preference as to whether these instruments should be purchased in this country or in another country?

Mr. POWER: I am told that this signal and wireless equipment is always purchased in Canada if we can get it here, or in other countries if we have to go there.

Mr. STIRLING: The minister does not indicate any preference?

Mr. POWER: No.

Mr. STIRLING: He gives Munitions and Supply a free hand to supply that which the R.C.A.F. require, according to their specifications?

Mr. POWER: Yes; but I would imagine that in things such as signal equipment our technical officers might say that such a gadget was better than another gadget. I really do not know.

Mr. STIRLING: That was what I wanted to know.

Mr. POWER: I think for a long time it was not a question of indicating where this sort of equipment could be obtained; it was a question of trying to get people to make it. I think that was the great difficulty, and in the earlier stages we were very much bothered with that.

Mr. STIRLING: A considerable change took place in the course of last year, I think.

Mr. POWER: I would not know; we simply send our financial encumbrances and our requirements to Munitions and Supply, and they make the purchases.

Mr. NOSEWORTHY: I think I shall have to crave your indulgence, Mr. Chairman, in asking this question; probably I should have asked it under item 2. It has come to my attention that wireless mechanics require anywhere from twelve to fifteen months to finish their course and that they are kept on the basic pay of $1.30 a day until the course is completed, whereas in most other branches of the services the pay is stepped up from $1.30 to $1.40 and then to $1.50 at the end of three or six months. Has the minister given any consideration to stepping up the basic pay of the wireless mechanics at certain periods of their training, on the condition that their progress is satisfactory?

Mr. POWER: I am told that all our men automatically get up to $1.50 after six months service.

Mr. NOSEWORTHY: Is a wireless mechanic brought up to $1.50 at the end of six months?

Mr. POWER: Yes, so I am told.

Mr. NOSEWORTHY: My information is that they get their first increase when they complete their course.

Mr. POWER: I do not think that is right, but I shall check into it. My officers tell me that they get their increase after six months, but I shall make sure that this is accurate.

Mr. CASTLEDEN: This afternoon the minister intimated that he would make a statement in connection with prisoners of war.

Mr. POWER: I shall do so when we get a little farther along. I am waiting for it to come from upstairs.

Mr. MacNICOL: In item 6, at page 394 of *Hansard,* the words "line construction, etc." appear, but in the typewritten sheet those words are left out. Is line construction included in the word "communications" on the typewritten sheet?

Mr. POWER: The same thing is meant, but perhaps they did not consider line construction so important this year, because it is not proposed to build as much as we built last year. We had a very big programme of line construction last year and it is not quite so big this year; we are only completing what has been started. Any change in the phraseology was not done with intent; it is supposed to mean the same thing. This item would cover the construction of lines which we have to carry out this year.

Mr. STIRLING: But there is a considerable increase in the item.

Mr. POWER: That is largely a carryover on account of articles and equipment ordered previously, sometimes as long as two years ago. There was a very great shortage of manufacturing capacity in connection with signal and wireless equipment. When it started to come in we got a lot of it, and I may be quite frank in telling the committee that we received some that is not of much use to us, since it is almost obsolescent by the time it comes in. This has almost become a problem with us, because developments in reference to wireless are going ahead so rapidly that the production of one particular gadget is just about completed when a better one comes on the market and we almost have to throw away what we thought was the latest thing up to that moment. However, the increase is largely due to what is coming in now, with the increased productive capacity both here and in the United States.

Mr. FRASER (Peterborough West): Have more teletype machines been installed this year?

Mr. POWER: That is included in this item, but we only show rentals of teletype machines, no new purchases.

Item agreed to.

7. Ammunition and bombs, $18,175,000.

Mr. MacNICOL: Why would there be a reduction in this item when we are just about to enter the most vicious phase of the war?

Mr. POWER: This is for Canada only. The bombs and so on that we use on the other side are obtained from the R.A.F. We have a goodly supply of bombs for practice and for our western hemisphere operations in connection with anti-submarine patrols and so on.

Mr. MacNICOL: Under what item shall we find the estimated amount to be paid for material purchased from the R.A.F.?

Mr. POWER: That would come under item 13, covering maintenance of overseas squadrons.

Mr. MARSHALL: There seems to be a difference between the statement appearing in *Hansard* and this typewritten statement, as far as 1943-44 is concerned. On the typewritten sheet the amount under this item is $17,000,000, while according to the statement in *Hansard* it is $23,990,000. Would the minister explain the reason for the difference?

Mr. POWER: At page 394 of *Hansard* we compare last year's estimate with this year's estimate. On the sheet which my hon. friend is holding we compare the probable expenditure under this item with the estimate for 1944-45. That is how the difference arises.

Item agreed to.

9. Fuel costs for aircraft, M.T. and marine craft, $19,892,038.

Mr. GRAYDON: Is this item for Canada only.

Mr. POWER: Yes.

Item agreed to.

10. Aircraft engines and spares, including overhaul, $188,947,545.

Mr. FRASER (Peterborough West): Does this cover equipment for paratroopers, too?

Mr. POWER: No.

Mr. FRASER (Peterborough West): And gliders?

Mr. POWER: I am told we have to provide machines in connection with the training at Shilo, but I do not think we are doing much of it at this time. It has nothing to do with the machines overseas.

Mr. FRASER (Peterborough West): This is just for Canada?

Mr. POWER: Yes; this is for Canada. Offhand I cannot say how much we are providing for machines to carry parachutists. That is all we do, in fact; we carry the parachutists to their targets, and drop them.

Mr. FRASER (Peterborough West): I asked the Minister of National Defence and he did not give me an answer. Now the minister does not give me a satisfactory answer.

Mr. POWER: I shall find out for my hon. friend. I cannot for the life of me recollect whether or not we may have two, three, four or five aircraft at Shilo, where parachutists were trained at one time. If we have, I shall let my hon. friend know. But that would be the limit of our responsibility in training the paratroopers.

Mr. FRASER (Peterborough West): These other boys go to the United States to train, do they?

Mr. POWER: They are army; they have nothing to do with us.

Mr. FRASER (Peterborough West): That is all American?

Mr. POWER: Yes, it is all American.

Mr. MacNICOL: Mr. Chairman, I notice that this item provides for an expenditure of more than $188,000,000 for aircraft engines and spares. We ought to have an explanation of this item. What kind of engines are these? I know they are aircraft engines, but of what particular kind? This is a huge amount of money, and there ought to be some explanation for a sum of that size.

Mr. POWER: My hon. friend will see that there is a reduction of about $72,000,000 from 1943. The reduction is accounted for by reduced aircraft requirements, owing to a revision of our defence of Canada plan, because a more favourable situation, and to the end that we shall require no further provisioning of aircraft for the British commonwealth air training plan. We shall have enough aircraft. We have provisioned for, I think, up to 1945 or 1946, so that we shall not require to purchase more. Moreover, aircraft contracts have been liquidated more rapidly than anticipated during 1943-44. That is to say, we are getting in more aircraft than we anticipated, in the fiscal year 1943-44, thereby reducing the amount of long-term liability to be liquidated in 1944-45. But we still have a tremendous amount of aircraft to pay for in 1944-45. Aircraft for training and aircraft for combat units on the coast are included. I do not wish to give numbers, but I think we have reached the stage now in the war where we can to some extent give numbers of aircraft.

The aircraft position for this year shows that the total number to be delivered is 960 aircraft. We now have over 11,000. I shall not give the exact figure, but we have over that number. That is 60 single-engine aircraft, and we have over 5,000. That is only in the air training plan. Of twin-engines we expect delivery of 862, and we have nearly 6,000. That is in the air training plan alone, and does not include the defence of the coasts.

Mr. MacNICOL: And that is not for overseas?

Mr. POWER: No, not for overseas at all.

Mr. ROSS (St. Paul's): What is the wastage of them?

Mr. POWER: I cannot really say—and I do not know whether I should say. In other words, we expect the total of over 900 planes to be delivered this year, and in 1945-46. We have nearly 12,000 already, in the air training plan alone, exclusive of what we need for western hemisphere defence operations, and for overseas. Those figures I do not care to give.

Mr. MacNICOL: This is a summary for air training alone?

Mr. POWER: Yes, air training alone.

Mr. MacNICOL: What types of aircraft are we using now for air training? Up and down the years the minister has told us about the different kinds of aircraft. We have heard a different story every year. What types does this amount cover?

Mr. POWER: I would say that we are now using Cornells, chiefly, for elementary training. Then, for single-engine trainers we have Harvards and Yales. For twin-engine training we use Ansons, Cranes, Oxfords, Beechcraft and Lockheeds. For bombing and gunnery trainers we use Battles, Bolingbrokes, and Lysanders. For wireless trainers we use Forts, Harvards, Yales, Norseman. For single engined transportation we use the Norseman aircraft. For operational trainers we use Hurricanes, Cansos, Liberators, Mitchells, Mosquitoes, Beechcraft, Dakotas, Venturas, Baltimores and Swordfish.

Mr. MacNICOL: How many of these are made in Canada?

Mr. POWER: Cornells and Ansons—and Lysanders were. Bolingbrokes, too, were made here; and Harvard, Norseman, Hurricanes, Cansos and Mosquitos. I believe that is about all.

Mr. MacNICOL: Is any part of this item of more than $188,000,000 connected with the Department of Munitions and Supply? How much of it is supplied by that department?

Mr. POWER: We buy everything from the Department of Munitions and Supply—every cent of it.

Mr. MacNICOL: Does any of this amount appear in the estimate of the Department of Munitions and Supply, later on?

Mr. POWER: I do not think so, no.

Mr. NOSEWORTHY: Included in this item is an expenditure for aircraft engines and spares. Have we yet undertaken the manufacture in Canada of aircraft engines?

Mr. POWER: The answer is no.

Mr. GRAYDON: To follow up the question by the hon. member, has any move been made by the government with respect to setting up a plant and the necessary equipment for the purpose of manufacturing aircraft engines in Canada?

Mr. POWER: I should much prefer that that question be asked of the Department of Munitions and Supply. All I do is use the engines I can get, wherever I can get them and when I can get them. If my hon. friend would ask the Minister of Munitions and Supply, whose job it is to procure these things, I am sure he would get a much better answer than I can give him.

Mr. GRAYDON: I am not so sure about that. I only ask the question of the minister because in all our aircraft industry in Canada, and all our development in connection with aircraft manufacturing, the one great bottleneck which will occur, perhaps, in the post-war period is that we shall have to go elsewhere to get the engines. The minister will recall that in a former debate—I am not sure but that it was 1942—the question of replacements and overhaul was stressed as being a very serious problem for the air force. I remember at the time listening with no small degree of gloom to the minister's statement as he uttered it. It seemed to me, a layman, that our position with respect to repairs for the machines we had became a serious matter. Would the minister tell us now whether we are able to get ample planes, and able at the same time to repair and overhaul them, so that there will be no difficulty as far as our men in training are concerned, and no interruption of that training?

Mr. POWER: At one time back in 1941 there was a really acute situation. I expressed the fear in this house, and I had reason to do so, that the opening of some of our schools might have to be delayed and that others might have to curtail their operations owing to lack of spares, No. 1; lack of repair facilities, No. 2, and lack of new planes coming in, No. 3, which probably should be No. 1. We had a critical period for several months, but since then we repaired a lot more of the aircraft in our own establishments. We recruited men, turned out mechanics and put them into our own establishments to do the work. Fortunately we were able to get spares although, as I say, there was a shortage for some considerable time. Aircraft had come in at a greatly accelerated rate. There is no difficulty in securing training aircraft at the present time, except that operational training aircraft, which are of the same type as those used in combat overseas, are hard to come by.

Mr. GRAYDON: How many hours of flying does a training plane complete before it has a general overhaul?

Mr. POWER: There is airframe and engine overhaul. It runs from 800 to 1,200 hours.

Mr. ROSS (St. Paul's): That would vary with the machine?

Mr. POWER: Yes.

Mr. ROSS (St. Paul's): I think two years ago the figure given was 400 hours.

Mr. POWER: That has been raised since.

Mr. POTTIER: A few moments ago the minister gave the number of training planes. Would that number include those used in the R.A.F. schools?

Mr. POWER: The figure of 11,000 or 12,000 would include the planes used in all R.A.F. schools.

Mr. ROSS (Souris): How many overhaul stations are there in Canada, and what portion of this $188,000,000 is for overhauling?

Mr. POWER: I cannot say offhand how many establishments there are for overhauling, but the amount is $41,500,000.

Mr. WRIGHT: Is most of this work done in government- or privately-owned plants?

Mr. POWER: This $41,000,000 would be civilian contractors.

Mr. ROSS (Souris): How many contractors are doing this work for the department?

Mr. POWER: I get a report every week as to the progress of civilian contractors on overhauls, but I do not happen to have it here. I could put the list of civilian contractors on *Hansard*. They are arranged for by the Department of Munitions and Supply; I have nothing to do with them except to pay them.

Mr. ROSS (Souris): What portion of this expenditure would be for engine spares? We would then have the break-down of the three items.

Mr. POWER: The $41,000,000 is for repairs, The estimated cost of additional aircraft is $19,000,000. The estimated cost of additional engines is $6,000,000. The estimated cost of spares for new aircraft and maintaining existing equipment is $17,000,000. That gives a total of $43,000,000. Some equipment, such as guns et cetera, would go in, totalling $830,000. Then there is $32,000,000 for airframe overhaul; $10,000,000 for engine overhaul, giving a total of $43,000,000. From this we deduct the work done in our own repair depots to the extent of $6,000,000 which would give a total of $37,000,000 under the plan alone. Under western hemisphere operations, the amount for overhaul of airframes is $4,000,000, and for engines, $1,000,000. From that total of $5,000,000 we knock off fourteen per cent for repairs we complete in our own repair depots. That gives a net figure for repairs to engines and airframes for western hemisphere operations of $4,300,000. The cost of aircraft to be purchased during the fiscal year for the British commonwealth air training plan will amount to $11,224,000, and engine spares to be purchased will amount to $934,600.

Mr. ROSS (Souris): That is not a very satisfactory break-down. Surely the minister can give us the totals for aircraft and for engine spares in addition to the total he has given us for overhaul of some $41,000,000.

Mr. POWER: I gave it for aircraft as well. My officers will work it out. The trouble is that it is divided between the western hemisphere operations and the plan.

Mr. MacNICOL: This item totals $188,000,000 and so far we have had but two figures, one of $37,000,000 and another one, $41,000,000. We are not finding any fault, but I think we should have a proper break-down of this $188,000,000.

Mr. POWER: As regards the $37,000,000 and the $43,000,000 it was just my mistake in reading the figures. The total cost of airframe overhaul and engine overhaul was $43,000,000, but we as a service do $6,000,000 worth of work. This is charged to another item as pay and allowances because our own men do the work, so that the total under this item would be $37,000,000.

Mr. MacNICOL: The minister understands that I am not finding any fault with him because he is really a good minister, but his officials should be able to give him the exact break-down of this figure. That is what they are there for.

Mr. POWER: We have lots of figures.

Mr. MacNICOL: When the minister asks for an expenditure of $188,000,000, his officials should be able to hand him a slip showing the break-down.

Mr. POWER: We have it broken down, but in a different way. We have enough mathematicians to give all the break-down possible. I may be able to satisfy my hon. friend in this way.

For the joint air training plan it is estimated that it will cost $67,163,710 for aircraft in 1944-45; for home war, that is western hemisphere operations, $79,292,650; overseas, $1,100,550. That is aircraft for our own use overseas; it has nothing to do with combat aircraft. Then, under the air training plan, overhauls for 1944-45 will cost $37,054,145; overhauls for western hemisphere operations, $4,336,490. Overhauls for overseas are in the total figure. That makes a total of $188,947,545.

Mr. MacNICOL: There you get the $188,000,000 odd.

Mr. POWER: I was going to break it down still further. For the joint air training plan the total, in round figures, for aircraft and engines is $67,000,000; for overhauls, $37,000,000, making a total of $104,217,000. Then, for western hemisphere operations, aircraft and engines, $79,292,000, and overhauls, $4,000,000, making $83,000,000 in round figures. Then for overseas, for transport aircraft, $1,100,000. That makes a grand total of $188,947,545, which is the figure I started out with. If my hon. friend wants any more break-downs I shall have to see what I can do for him.

Mr. MacNICOL: The minister has my sympathy. We have been voting millions so easily and generously from this side of the house that perhaps everybody is getting a little befuddled with the magnitude of the figures.

I wish to ask a question with reference to overhauls. The government has some crown plants making aeroplanes, one at Malton and one out on Dufferin street, Toronto. Those are two very large crown plants.

Mr. HOWE: DeHavilland is not a crown plant.

Mr. MacNICOL: Has any of the overhauling and repair work been done in crown plants? I understood the minister for air to say a few moments ago that all the overhauling was done by private companies. Why not use some of these huge crown plants for overhauls and repairs?

Mr. POWER: DeHavilland is turning out a certain type of fighter aircraft and Malton is turning out bombers.

Mr. HOWE: Repair work interferes with production. It is much more economical to do overhaul work in separate plants. To put overhaul work into production plants interferes with the production line and is very expensive.

Mr. MacNICOL: I helped operate a big plant for a long time and we did not send our overhauling out to be done.

Mr. HOWE: Perhaps you were not very busy.

Mr. MacNICOL: We had 925 men on our payroll.

Mr. HOWE: We have 8,000 at Malton.

Mr. MacNICOL: And we paid them out of profits from production in a private plant. We did not have a government to get the money from. It is a different proposition. We had to run it as a business. The minister has been in business, and when he looks back to his own system of operating business he knows very well that he had to pay for his repairs and overhauls out of profits. He would have gone to the wall if he had not done so.

Mr. GRAYDON: In regard to overhauls and repairs there was a time, not recently perhaps, when Yales and Harvards were overhauled at what is now Victory Aircraft, but that was perhaps when production was being changed over from one type to another.

Item agreed to.

11. Miscellaneous stores and equipment, including machine guns and other armament, $15,992,000.

Mr. FRASER (Peterborough West): The minister said that some of the air fields would be discarded. Is that right?

Mr. POWER: Yes, but not under this item, of course.

Mr. FRASER (Peterborough West): This item deals with maintenance, stores and equipment, which would be removed when the air fields were discarded.

Mr. POWER: Yes; that would be under care and maintenance. I suppose my hon. friend refers to barracks stores and things of that kind.

Mr. FRASER (Peterborough West): Yes.

Mr. POWER: I would hope that my hon. friend the Minister of Pensions and National Health, when he is starting new hospitals or other institutions, would take advantage of the fact that we have spare beds and bed equipment of all kinds which would be suitable in these other institutions.

Mr. FRASER (Peterborough West): I have suggested before that he take over some of the staff houses for hospitals.

Mr. POWER: I hope he will.

Mr. FRASER (Peterborough West): Because after the war they will not be used, and some of them could be taken over right now for hospitals. There might be a chance that under this item the minister might have some old planes and engines. We have some wonderful air cadet corps throughout Canada, and those boys would be tickled to death if they had an aeroplane engine.

Mr. POWER: They have got them.

Mr. FRASER (Peterborough West): Not all the corps.

Mr. POWER: Let my hon. friend ask for one and I shall be glad to give him an aeroplane and an engine any time.

Mr. FRASER (Peterborough West): Good! That is fine!

Mr. SINCLAIR: Almost all the items of equipment that I can think of are covered by items 5, 10 and 14, and yet here is an item of over $15,000,000 for miscellaneous stores and equipment. Can the minister tell us just what the items are?

Mr. POWER: I have a list here: Small arms; A/C machine-gun mountings; ground machine-gun mountings; ordnance and ordnance sights; guns and spares; machine-gun firing gear; machine-gun sights; filling and positioning machine; special tools for armament equipment; armament ground instructional equipment; bomb gear; range finders; Browning guns; miscellaneous electrical stores; cable and wire electrical; aircraft electrical stores—

Mr. SINCLAIR: That is enough.

Mr. POWER: I have two pages more.

Mr. SINCLAIR: It is armament, in other words.

Mr. LOCKHART: Will the chassis of aeroplanes be available to vocational and technical schools as the minister said they would be for cadet corps?

Mr. POWER: While I am in a generous mood, because the committee has been very good, and am willing to give away a lot I do not think I would have authority to give away to civilian institutions crown property that belongs to the R.C.A.F., but if my hon. friend will make application for what is required for a vocational training school I shall do the best I can to get it to him somehow. The air cadets, of course, are in a different position. They belong to the air force and it is easy to give them anything.

Mr. LOCKHART: The difficulty arose years ago when we were trying to get something started in vocational schools. We would have been in a little better position to step things along and have more of the boys air-minded if some of this equipment had been available. I still maintain that there is a great need of such assistance in many of the vocational schools which have been developed across the country, developed, I appreciate, under the provincial governments. But, instead of selling this equipment to the salvage companies, which I suppose will be the destination of a great deal of it, the needs of these schools should receive attention. I notice that the miscellaneous stores and equipment item is reduced by $3,000,000. Is any of it being turned over to salvage companies?

Mr. POWER: Not at the present time.

Mr. LOCKHART: It will be handled through some crown company, I suppose.

Mr. POWER: It will be turned over. Perhaps my hon. friend would like me to explain the set-up of surplus asset disposal?

Mr. LOCKHART: I shall be glad to have a brief review of the matter. But I would again impress on the minister that there are lots of useful avenues into which such articles as these chassis could be turned instead of being broken up into scrapiron. They would be extremely useful in such places as vocational schools if some arrangement could be made with the provinces.

Mr. POWER: That is why I said that it is easy enough for the R.C.A.F. to arrange for the disposal of some of its own stores to one of its own components, namely the air cadet league, but it is not so easy to dispose of them to civilian organizations. We have a new set-up under order in council, namely an assets disposal committee, operating under the Minister of Munitions and Supply, which decides on all policies with regard to surplus assets. If I have spare aeroplanes, barracks stores, engines, rubbers, shoes, clothing or what-not, they are handed over to the surplus assets committee, which decides on the policy generally to be followed out in disposing of such assets. If it is decided that they shall be disposed of by sale they are handed over to the crown assets corporation, which actually does the selling.

Mr. GRAYDON: War Assets Corporation.

Mr. POWER: War assets. But the committee first deals with the policy. My hon. friend, for instance, would know that certain vocational schools require a certain type of equipment to assist in their training. He would probably ask the air force if he had reason to believe that we have surplus supplies of this kind, and we would pass the request on to the surplus assets committee, which could then say, "Well, in the general interest of the country any of these surplus assets could very well be given to such an organization rather than be held for sale by the crown corporation."

Mr. HOWE: May I just correct that? Crown assets cannot be given away. That has been decided.

Mr. GRAYDON: The minister for air has beaten you to it. He has given a couple of aeroplanes away already.

Mr. HOWE: Air cadets' property, of course, is still retained in the crown. No one can give away crown property, not even the committee.

Mr. LOCKHART: I wish to make my position clear on this matter of giving equipment away. I am not asking for something for nothing, but I would point out that when the war clouds were gathering, before the year 1939, small groups of men banded themselves together and established civilian flying schools in connection with municipal airports, and certain types of aeroplanes, such as antiquated Moth planes, were used, although they were always falling to pieces. I recall that there was some difficulty about getting possession of one or two of these chassis, which proved a great inspiration to the young boys who at that time were going through the vocational schools. I cannot substantiate this, but I am reasonably certain that my information is correct, that on two occasions old Moth planes were sold for scrapiron in spite of efforts which were made to have them turned over to groups of boys who were working in vocational schools and were very much interested in aeroplanes at that time. I suggest to the minister that he make sure that whatever crown organization is formed will not make any difficulties

about dealing with municipal bodies, and will not allow some of these planes of obsolete design to go into scrap when they might be an incentive to the training of the young boys who are coming along and who will do our commercial flying in the days to come. I point out that we did have difficulties a few years ago, just before the war, obstacles owing to what may be called red tape. At least let it be known that some of these obsolete types are available, so that application may be made.

Mr. POWER: We are making it known now that we shall have a lot of them.

Mr. GRAYDON: With respect to the matter of disposal of assets such as the minister has described, this matter arose in a similar way when the appropriations relative to the army were before the committee. While I have not personally had any requests from persons in the air force for an opportunity of procuring machines when the war is over, I have one or two requests with respect to the disposal of jeeps to members of the armed forces.

Mr. POWER: I want one myself.

Mr. GRAYDON: Well, the minister would look pretty good in a jeep. It is a vehicle very appropriate to the minister. I believe that one of the things which men in the air force will want to do when the war is over is, continue their flying. It would seem only fair that if aeroplanes are to be disposed of, some of them should be available for the men who want them, provided, of course, they are suitable for use in civilian operations. Has the government any policy in this matter?

Mr. POWER: I have known quite a few officers to say that they would like to buy a small Moth plane or something of the kind to go travelling around in after the war. I assure my hon. friend that there will be, as he can readily understand, surplus aircraft of all sorts and conditions, and that the corporation presided over by my colleague, the Minister of Munitions and Supply, will, I think, be glad to receive offers for air frames before they are broken up, because there would not be much salvage in breaking them up.

Mr. GRAYDON: Perhaps I should not delay the committee at this time on something which I fancy does fall in the category of the debate which would normally be expected to take place on the War Assets Corporation. Perhaps I need not proceed any farther with that, but I should like to content myself with this one observation in connection with salvage. Let us not forget as a parliament and as a government that at the moment the public is ready to spend money if it is spent for war purposes; but the pendulum will swing—

Mr. POWER: It has swung already.

Mr. GRAYDON: Yes, I think the minister is correct in that. The pendulum will swing more and more. The whole question of waste and the utilization of the assets that have been bought is becoming of great importance as far as the public is concerned. I think the government might well take into consideration the position in which we shall find ourselves with respect to public opinion in that regard. After all, while the public is ready to put money into these things to-day for the purpose of winning the war as speedily as possible, the same public in years to come will be—as the minister says they are now—more alert and more conscious of the disposition that is to be made of those assets once the nation has no further use for them in connection with the war or before they become obsolete or something of that kind occurs. I am hopeful the government will make sure that such economies with respect to salvage—and there are a lot of economies possible with respect to salvage that the two ministers now in front of me will readily attest—will be carried out so that the public will not get the idea, as the years roll by, that this material is to be thrown on the market at bargain prices, that no attempt will be made to overhaul it and put it into salable shape; in other words, that the whole matter will be let go in a reckless form of abandonment.

Mr. MacNICOL: A few moments ago the minister referred to the company. Did I understand him to say that it had been set up? My information is that it has not been set up. The Minister of Munitions and Supply will know. About ten days ago I was in several plants and I saw some surplus equipment. In one of those plants I learned that a company was to be set up, and the gentleman who told me said that perhaps in a few days it would be brought before parliament. I am heartily in accord with the setting up of a crown company to conserve the vast quantity of equipment which is likely to be a hundred per cent usable and can be resold. I do not suppose the company has been set up. I have heard the names of some of the men who are to be chosen to head that company and they were all first-class men. If the Minister of Munitions and Supply names these men to form the company. I shall be glad to support the

proposal. The minister spoke as if the company had already been set up.

Mr. POWER: The order in council is passed.

Mr. MacNICOL: I do not want to ask the Minister of Munitions and Supply if it is so or not until he wishes to announce it. I was under the impression it would be announced in parliament.

Mr. POWER: The order in council is passed. I am not sure that the company has actually been incorporated, but the order in council dealing with all this was passed some time ago.

Mr. HOWE: Perhaps I can explain this a little further. The company has been functioning for about six weeks. It was set up by order in council as a matter of urgency. The surplus problem was becoming rather acute. Later in the session there will be legislation dealing with the whole matter.

Mr. MacNICOL: That is the information I received. It was said that later on it would be announced in the house. It should have been announced in the house. Parliament has been in session now for four weeks or more.

Mr. CRUICKSHANK: What is the item?

Mr. MacNICOL: The hon. member says, "the next item." I should like to tell him something. The opposition has supported the government in putting through large sums of money. We could not alter the amounts if we talked for a month, but the minister has been kind and courteous. We have been trying to be kind and courteous, and we have tried to help him put through his estimates. There is no use in saying, "next item."

Mr. FRASER (Peterborough West): I think the hon. member said he wanted to go on with potatoes.

Mr. MacNICOL: Pardon me. I thought the hon. member said, "next item." I apologize to him now. Let me return to the crown company. The crown company has been set up by order in council but has not been announced in parliament until to-night; at least I have not heard it. I would appreciate it more if it had been brought to parliament earlier. Anyone who knows anything of business knows that such a company would have to be set up, but in courtesy to the House of Commons, it should have been announced here first. I should not have to be told of it in a plant.

Mr. POWER: It was set up by order in council before parliament sat. The intention is to put legislation through the house; it was set up because the business was getting acute, and it was thought well to have some little experience in dealing with these surplus assets and getting the whole set-up in good shape before the bill was brought down. The bill ought to be brought down at any time now.

Mr. MacNICOL: The names that were given to me were all of good men, men who have had experience. I support that.

Mr. POWER: It was announced in the speech from the throne that legislation was to be brought down.

Mr. MacNICOL: Exactly, but it has not come down. Yet the company has been set up and parliament will be asked to support something that has been done.

Mr. HAZEN: What are the positions in civil life of the members of the crown company?

Mr. HOWE: I do not remember. I think there are twelve directors. I shall be glad to give my hon. friend a partial list from memory. I shall be glad to get the information and give it at a later date if that is satisfactory.

Mr. HAZEN: I happened to hear this matter discussed briefly not long ago, and the suggestion that was made that there should be among the directors a man who was engaged in the retail business. Are there any men like that on the board?

Mr. HOWE: Yes. Originally the list did not contain men from the retail trades, but that has been corrected in the last two or three weeks. We asked the retail organizations to nominate a panel of men, and we chose one from that panel. He has now been added to the board. I think the situation has been rectified.

Mr. NOSEWORTHY: Is it not correct that that company has already been disposing of some of the equipment?

Mr. HOWE: No, it has sold nothing at the moment. The committee delivered certain material to it within the last week, I think, but the company has actually sold nothing up to this time.

Mr. LOCKHART: I wrote the department several weeks ago with reference to a serious complaint about tents being sold. I received a reply saying that it was not tents that had been sold but that mill ends of tent canvas had been sold. The company must be operating, and the public are a little bit concerned about the disposition of certain material

which they seem to think will go into the junk piles. I urge upon both ministers—

Mr. POWER: Would my hon. friend say whether that was army tents?

Mr. LOCKHART: I cannot tell where these tents might have been used.

Mr. POWER: I understand that this has to do with raw material, which hardly has to do with air force estimates.

Mr. SINCLAIR: Hear, hear.

Mr. LOCKHART: Oh, that "hear, hear" stuff is all right.

Mr. SINCLAIR: What has this to do with the air force?

Mr. LOCKHART: It has to do with disposing of surplus materials. Do not get overanxious.

Mr. HOWE: Prior to the establishment of the disposal company each branch had some means of selling its surplus waste material. The army had its disposal branch; my department had its branch; other departments had their branches, and it was sold through that channel, not through the crown company.

Mr. NOSEWORTHY: There are two features in this connection I should like to bring to the minister's attention, though perhaps I might do so more properly later on. In the first place there are a great many boys in the air force who have received mechanical training and who would like an opportunity to acquire some of this equipment in order to establish themselves when they return to civil life. There is a concern felt that this may be all disposed of to civilian employers or others before these men return, and it is believed that their need should be taken into consideration and an attempt made to see that they have an opportunity to share in the purchase of some of these items. The second point is that a vast quantity of this material would be invaluable to the schools that will train or retrain some of these boys. I would suggest that before any plans are made for the disposal of this material the educational authorities should be consulted, to the end that any of this equipment that may be used in schools for the education of the boys who come back, and to extend vocational training among the general school population, should be kept for that purpose, and that this matter should receive first consideration before this equipment is disposed of.

Item agreed to.

12. Flying training contracts, $29,345,667.

Mr. PERLEY: Would the minister give us a break-down of this item, giving the reason for the increase of $2,500,000? I should also like to know how many of these training schools are operated in Canada and particularly in Saskatchewan; what the contract terms are, and what profits these companies may make under their contracts.

Mr. POWER: The contract is very long and my hon. friend has a copy of it; he asked for it last year. There are sixteen elementary and eight air observer schools in Canada. In Saskatchewan there are elementary schools at Prince Albert, Regina, Davidson and Assiniboia. There were air observer schools at Regina and Prince Albert, but they have been closed.

Mr. PERLEY: What are the terms of the contract, and what profits are allowed to be made? Has there been any particular change in the contract in the last year?

Mr. POWER: They are still on a no-profit basis. Certain changes were made. Operation and maintenance expenses are paid to civilian operators on the basis of schedules which have been prepared, and take into account estimated normal expenditures for each type and size of school. In the event that the actual expenditure for a given period is less than the target expenditure, eighty per cent of the saving reverts to the Royal Canadian Air Force and twenty per cent is retained by the company. The amount retained by the company cannot be distributed but must be held in reserve account until the termination of the contract. Similarly, in the event that actual expenditure exceeds the target, eighty per cent is repaid by the Royal Canadian Air Force and twenty per cent must be charged by the contractor to the afore-mentioned reserve account. The disposition of reserve accounts at the expiration of contracts will be made as follows: E.F.T.S. balances will be paid to flying clubs approved by the minister or will revert to the crown. I may tell my hon. friend that many of the E.F.T.S. were offshoots of certain civilian flying clubs; if they make any profits they may, with the permission of the minister, pay those over to the flying clubs, not to be used for any individual members but to be used by the clubs, and if there is no such club they revert to the crown. With regard to the air observer schools, all the profits and balances go to the crown.

Mr. LOCKHART: What percentage is permitted to those who put their money into the original set-up?

Mr. POWER: They were getting 5 per cent, but as far as elementary schools are concerned, we have bought them all out.

Mr. NOSEWORTHY: Would the minister give the committee a complete list of the centres at which these contracts were made, the types of schools, the holders of the contracts, and the estimated cost of each contract?

Mr. POWER: I believe that information was given last year, but I shall be glad to give it again.

Item agreed to.

13. Maintenance of overseas squadrons, $345,664,964.

Mr. FRASER (Peterborough West): Would the minister break this down? I notice that it is up by about $12,000,000.

Mr. POWER: We have extra squadrons.

Mr. FRASER (Peterborough West): I know that.

Mr. POWER: And we have converted to newer and better aircraft.

Mr. FRASER (Peterborough West): This is all paid to the British government.

Mr. POWER: The purpose of this item represents a provision for maintenance costs relating to the operation of Royal Canadian Air Force overseas squadrons, together with certain ancillary units, formed for service in conjunction with the Royal Air Force. Provision is made herein for all maintenance costs, with the exception of the items of pay, dependents' allowance and clothing which are shown separately in estimates under the appropriate headings of pay and allowances, and personnel supplies and services, respectively.

This item also includes, in addition to maintenance costs, a provision for the initial capital costs for the equipment of certain Royal Canadian Air Force squadrons to be established overseas during the first few months of the 1944-45 fiscal period.

Mr. FRASER (Peterborough West): That includes aircraft, too?

Mr. POWER: Yes, it applies to aircraft. Arrangements have been completed recently with the air ministry of the United Kingdom whereby six additional Royal Canadian Air Force Squadrons will be established overseas by the transfer of certain complete squadrons at present organized in Canada for operation within the home war establishment. We shall have to buy planes for those six, too.

The present and future strength of the Royal Canadian Air Force overseas squadrons in accordance with present operational plans would be, roughly, forty-four squadrons, divided into heavy bomber squadrons, fighter squadrons and coastal command squadrons. Heavy bomber squadrons, of course, cost more money, because the bombers are very expensive.

Provision has been made in the 1944-45 estimates for the above-mentioned squadrons, together with ancillary units as follows:

Capital charges, six squadrons....	$ 13,667,285
Maintenance, forty-four squadrons.	327,353,125

These two figures make a total of $341,020,410. Then, ancillary units include personnel reception centre; personnel disposal centre; bomber group headquarters; bomber group communication flight and fighter reconnaissance wing, and total $4,644,554. The grand total is $345,664,964.

These charges include only the capital cost of aircraft required for the initial equipment and immediate reserve of the six additional squadrons to be established during 1944-45, together with the cost of unit equipment for these squadrons. Unit equipment represents aircraft handling equipment and other important items which are taken on the charge of each particular squadron, and normally move with the squadron from station to station.

Maintenance charges are billed to Canada quarterly by the United Kingdom air ministry on the basis of annual squadron charges which are dependent upon the type of aircraft and the operational role in which aircraft are employed by the Royal Canadian Air Force squadrons. The basis of squadron charges and the elements of cost included therein have been carefully reviewed in the United Kingdom by responsible Royal Canadian Air Force officers, and are considered to be fair and reasonable in accordance with past experience and available information. Arrangements have been made whereby squadron charges will be reviewed annually for the purpose of making any necessary adjustments which may be required as a result of new conditions.

Mr. FRASER (Peterborough West): Last year the minister said he was buying helicopters.

Mr. POWER: They are not included. We did not buy them.

Mr. MacNICOL: Are salaries included in this item?

Mr. POWER: No. They were in the second item.

Mr. MacNICOL: This is all the equipment and it includes that in Italy, North Africa and at every point where Canadians are engaged.

Mr. POWER: Wherever there are Canadian squadrons.

Item agreed to.

14. Sundries, including printing, stationery, telephones, telegrams, teletype rentals and other costs not included in above items, $8,981,443.

Mr. ROSS (Souris): What portion of this is for air cadets? Is it expected that authority will be granted the air cadets to fly? That matter has been discussed lately. If, as the minister has said, he is going to let these local units have some aircraft, I trust they will be able to use them.

Mr. POWER: The amount included for air cadets is $1,012,480. The question whether or not we could allow these air cadets to fly in their two weeks' training is one which, I am frank to say, is giving me a great deal of concern. Sometimes I feel like saying yes, and more often I feel like saying no. Frankly, last year I was inclined to agree, and to obtain a waiver from the parents. Shortly before that, however, we had several severe accidents in training—not the cadets, of course; I am referring to our own airmen. I received a flood of letters from parents of boys who were in training, blaming us for the equipment, or the maintenance, or carelessness of people. The result was that I changed my mind with respect to the cadets. I thought that if we were to be blamed for the accidental deaths of men actually in training, whose job it is to take those risks, we might be blamed far more by parents of boys of fifteen or sixteen years. Even though the parents might sign a waiver, they might complain. That is the state of mind I am in this year.

Last year, over and above all this, there was the very good reason that we would not have had the time. This year, with more schools—although some of them will not be schools until later on—and with more instructors available, it would have been possible. But there is a risk involved. A great many parents might sign a waiver, but if the boy of certain parents were unfortunately killed or badly injured as a result of an aeroplane accident, the parents would never forgive either the minister or the air force for having given their boy a chance. I am open to conviction either way on the subject.

Mr. ROSS (Souris): I agree with the minister that this is a very important decision to make. However, it is a live question. There is no decrease anticipated in the cadet programme?

Mr. POWER: No.

Mr. FRASER (Peterborough West): Before the Minister of Munitions and Supply leaves the chamber, I would point out that he said there was nothing disposed of by this company.

Mr. POWER: I can answer that. That was one reason why the company was formed. Normally, as the minister says, each department disposed of its own, through a salvage officer, who is an officer under control of the treasury. We had a certain number of surplus aeroplanes, and we had to hand them over to the salvage officer. He called for tenders, and the only tenders he could get were for this small amount. It was after we went through this experience—although we had been thinking of it for some time—that it was borne in upon my mind just what the situation was. One of my officers said that the disposal of surplus assets would become one of the greatest rackets since the invention of loaded dice, unless someone took charge of it pretty soon.

Mr. FRASER (Peterborough West): It was, after the last war.

Mr. POWER: Therefore we got to work. I asked my officers; other ministers who were likely to have large surplus assets asked their officers, and we evolved the present set-up which will be placed before the house by way of legislation. The answer which my hon. friend has indicates just what would happen if this surplus equipment were left to disposal by the calling for tenders. It is not my baby, it belongs to the surplus assets corporation. I became interested at some stage of the matter because we found that to dispose of assets of this kind by simply calling for tenders would get us into all kinds of trouble and lose much money for the country.

Mr. ROSS (St. Paul's): There is about a million dollars for air cadets; how is that sum arrived at?

Mr. POWER: Does my hon. friend want it on *Hansard,* or shall I read it? It provides for instructors, travelling and transportation, clothing, miscellaneous stores, ammunition, targets, rifle cleaning materials and certain medical services.

Mr. STIRLING: That is all included in the million dollars?

Mr. POWER: The amount is $1,012,480.

Mr. STIRLING: Where does the money go in the case of a typical corps in one of our towns?

Mr. POWER: The officers are paid for fourteen days summer camp with a maximum of fifty-five days in the year. The average rate is $4 a day.

Mr. STIRLING: Would there be one officer to a corps?

Mr. POWER: They have a larger establishment than that. I believe it calls for over 2,000 officers.

Mr. STIRLING: How many corps are there?

Mr. ROSS (St. Paul's): How many cadets?

Mr. POWER: There are between 29,000 and 30,000 cadets, in 367 squadrons.

Mr. STIRLING: And there would be several officers in each squadron?

Mr. POWER: They would average probably a little more than three. My recollection is that there are three to a squadron of fifty, and as the numbers in the squadron go up there would be more officers.

Mr. STIRLING: There would be from 1,000 to 1,200 officers receiving this pay for the fortnight camp, plus fifty-five days?

Mr. POWER: Yes.

Mr. ROSS (St. Paul's): How are they distributed across the country?

Mr. POWER: I think they are in every province.

Mr. ROSS (St. Paul's): By military districts?

Mr. POWER: They would be distributed by our six commands.

Mr. ROSS (St. Paul's): Are the cadets paid when they go to camp?

Mr. POWER: No.

Mr. STIRLING: The cost of transportation is paid?

Mr. POWER: We pay the transportation; it averages about $3. The total cost is estimated as $66,900.

Mr. STIRLING: That is taking the corps to the summer camps?

Mr. POWER: Yes, to and from the camps.

Mr. ROSS (St. Paul's): When the minister was talking about the dangers of flying did he have in mind that these lads might fly with instructors?

Mr. POWER: Yes.

Mr. ROSS (St. Paul's): Several of these boys have spoken to me and they are extremely anxious to have a flight. Would it be possible to have some of them taken up?

Mr. POWER: The latest proposal is that it be done on the basis of merit, but I cannot guarantee that there will not be any accidents. It does not matter whether they go up with the best instructor in the world, in the best plane in the world, there may be an accident because flying is a dangerous game. If the committee is strongly of one opinion or another I should like to get its advice on the matter.

Mr. ROSS (St. Paul's): They take the same chances riding in automobiles and perhaps they are safer up in the air than they would be driving along some of our roads. This would be a great stimulus to the cadets.

Mr. GLADSTONE: Could I have some information about the graduating schools of the R.C.A.F.?

Mr. POWER: Aircrew on graduating may obtain further instructions in their duties as commissioned officers or as non-commissioned officers. Four schools have been established within the last two months and three are now operating. There are schools at Maitland, Three Rivers, Valleyfield, and one at Calgary will be opened on March 10. The hon. member for Yorkton asked this afternoon about the policy with regard to commissioning and promoting prisoners of war. The policy regarding the commissioning of R.C.A.F. personnel, provides for the commissioning of a non-commissioned officer prisoner of war provided there is no adverse report in existence and no adverse circumstances surrounding his capture if (a) he has attained the 60-60-70 standard on graduation, having been graduated prior to the inauguration of this standard or (b) he has been recommended by his unit commander prior to date of capture.

Mr. GRAYDON: What does the minister mean by adverse circumstances?

Mr. POWER: Disgraceful circumstances; provided there are no adverse circumstances, provided a man did not just go and give himself up. As a flyer that is not very likely because he just comes down; he does not give himself up.

Mr. NOSEWORTHY: Earlier in the evening the minister undertook to look into the question of the pay of wireless mechanics.

Mr. POWER: I can answer that on *Hansard* in reply to a question on the order paper if my hon. friend puts it in that way.

Mr. MACDONALD (Halifax): Does the Canadian government accept responsibility when damage is occasioned to someone by a member of the R.A.F. driving a motor car? Supposing a man in Canada sustains personal injuries or property damage because of the

operation of a motor car by a member of the R.A.F. in the course of his duty, has he a right of action against the Canadian government, or has he to proceed against the British government?

Mr. POWER: My hon. friend knows that has been a matter of discussion between the lawyers of the Department of Justice and, I think, his department and ours. An attempt has been made to arrive at a conclusion as to what should be done in connection with claims against persons belonging to other forces. I took part in these discussions, but I cannot say what the order in council which was eventually passed contains. My hon. friend will probably know better than I.

Mr. MACDONALD (Halifax): I want to know what a man can do who is injured through the actions of a member of the R.A.F. while carrying out his duties in Canada.

Mr. POWER: I believe all three services are bound by the same order in council, but I cannot just say what it contains.

Mr. MACDONALD (Halifax): I know it is generally recognized that there is some responsibility on the part of the Canadian government, but I have not been able to find out how the man who is injured can get redress, or to whom he should look for payment or whom he sues if the matter has to go to litigation. I should like to know what course he is to take.

Mr. POWER: An order in council has been passed, but I do not know just what its provisions are.

Mr. WEIR: A few moments ago the minister announced a policy in the matter of commissions with respect to R.C.A.F. personnel who might become prisoners of war. Can he inform the committee similarly with regard to Canadian personnel in the R.A.F. who may become prisoners of war?

Mr. POWER: No.

Item agreed to.

Mr. GRAYDON: Before progress is reported may I make this clear? I presume the minister still has some queries to answer with respect to his war estimates.

Mr. POWER: I think they are nearly all cleared up.

Mr. GRAYDON: My impression was that some were outstanding. We are anxious to preserve our rights with respect to those. I hope, therefore, that it will not be understood that the minister has cleared himself completely as far as his war appropriations are concerned until those questions are answered, and that supplementary comment may be made later.

Mr. POWER: If it is satisfactory I could answer any queries that are outstanding, during the discussion of the navy war appropriations, which will be coming on in the next two or three days. But I am in the hands of the committee. I have done very well so far, and I am not complaining a bit.

Mr. GRAYDON: No; I do not think the minister should, but I am anxious that the discussion shall not be regarded as closed in case there is something we wish to bring up at the time the minister provides the outstanding answers. While it may be most convenient and expeditious to have the navy go on at the next sitting, I wish to reserve our rights as I have already indicated.

Mr. POWER: Quite.

Progress reported:

Mr. CRERAR: If the house is agreeable we might go on with supply, agriculture. It would require unanimous consent to go into supply again to-day.

SUPPLY

The house in committee of supply, Mr. Bradette in the chair.

DEPARTMENT OF AGRICULTURE

Science service—

6. Animal and poultry pathology, $147,300.

Hon. J. G. GARDINER (Minister of Agriculture) Mr. Chairman, we had considerable discussion on this item the other evening, and if there are no further questions we might proceed to the next item.

Item agreed to.

Science service—

7. Bacteriology and dairy research, $44,620.

Mr. GARDINER: The purpose of the vote is to provide for bacteriological research and in cooperation with other divisions and services research into soil fertility, crop production, milk production, technical problems in milk processing and the manufacture of dairy products, utilization and preservation of foodstuffs, utilization of agricultural by-products and work in connection with standards of products within the scope of the department.

Mr. BRYCE: Does the cost of the milk production survey in Manitoba come under this item?

Mr. GARDINER: I have not a report on the Manitoba investigation, but I might say that the question of finding a practical procedure for determining the bacteriological quality of raw milk is of importance to the whole dairy industry and of aid in improving the supply. Increasing interest is being taken in the reduction test, and attention is being given to details of technique with the idea of increasing the usefulness of this test, which appears to have many advantages over the older methylene blue test. Many points have still to be considered, including that concerned with an examination of the dyes so that the test can be standardized.

Mr. BRYCE: Have they taken into consideration the cost of the production of milk in the western provinces?

Mr. GARDINER: That does not come under this.

Mr. TUSTIN: Last year the agricultural food board designated where milk should go, whether to cheese factories or to condenseries. I have had a good many complaints recently from farmers who have had to send their milk to cheese factories. Last fall, when usually a number of factories would be closed, a subsidy was placed on milk for cheese factories, and consequently a number were kept open during the winter months. The complaint that I have from a good many farmers in my constituency is that the price of milk going to the cheese factories is not comparable with the price of milk going to condenseries. There is a good deal of dissatisfaction over that and a number of farmers appealed to me just over the week-end, saying that they had applied to the agricultural food board to be allowed to change over from sending their milk to the cheese factory but were refused permission to ship it to the condenseries. I have in my office a table which was prepared over the week-end, showing the difference in the amount the farmer receives according to whether his milk is shipped to a cheese factory or to a condensery. I have not it here because I did not know this item was coming up to-night. If I remember the figures correctly, a man who had twelve or fifteen cows last year showed me by a table that he had lost almost $200 by having to ship his milk to a cheese factory when he could have shipped it to a condensery if the food board had given him permission. On top of that, over the last several months the condensery plant at Napanee has been shipping a good deal of milk to the city of Toronto for distribution, and all the milk shipped from there to the city of Toronto pays a premium to the farmer of twenty-five cents a hundred. So that the farmers, if they had been allowed to ship the milk to Toronto for distribution, would have benefited to that much greater extent. I appeal to the minister to give this matter consideration, because it is of much concern to the farmers. I should be glad to let the minister have the table I have in my office or present it to the committee at a later stage.

Mr. GARDINER: That would not come under this item. As a matter of fact, it would hardly come under any item in the main estimates, since the authority which we have to deal with that comes from the War Measures Act and the moneys provided come under the war appropriation. But I would be pleased to discuss the matter at that time.

This particular item has to do with scientific investigation of the qualities of milk and the treatment of milk as against different bacteria and things of that kind. It is just the scientific treatment of milk itself.

Mr. SENN: I understand that the different uses to which the by-products of milk might be applied could be investigated under this item. For instance, the use of whey. Whey comes from the production of cheese. In some instances it is worth quite a considerable amount for feed; but if it gets too sour, if it is not properly cared for after the cheese is made, it is not nearly so valuable. Then there are the other by-products of the manufacture of butter, such as skim milk powder and casein, and the different manufacturing outlets which I suppose should be investigated to see how much the price of them does add to the value of the milk. However, if I am in the wrong category I do not want to continue.

Mr. GARDINER: All the research in connection with the fact that bacteria exist in the different products of milk comes under this particular item. I am not so sure that the values of milk as defined by the hon. member would come under this item. For example, the first matter dealt with is methods for measuring the quality of raw milk; next, care of milking machines, methods of taking care of them in order to avoid bacteria getting into the milk; surface deterioration in storage butter; the cause and remedy of discoloration in print butter; winter flavour in creamery butter; rancid flavour in Cheddar cheese; the

matter of studies on clarification of milk for Cheddar cheese making. These are the chief items under which discussion comes.

Item agreed to.

Science service—

8. Botany and plant pathology, $312,520.

Mr. GRAYDON: I know that the item has been carried with respect to dairy research, but there is one matter to which I wish to refer. In the mines and resources estimates, under "national research council," a rather large sum of money, something over $300,000, is being appropriated, as the minister indicated at the beginning of his estimates, for research on agricultural matters. This dairy research, together with bacteriological and dairy research, as proposed under the increased vote indicated in the mines and resources estimates, will then be carried on under the auspices of the national research council. Does it not raise the whole question whether the council is the organization under which money voted for agricultural research should be expended? The minister will find himself, I believe, with research being done in the national research council under a vote in the mines and resources estimates, and he will also be saddled with another research branch having to do with problems of bacteriology and dairying. This matter was brought up before and received some attention in the discussion. I am inclined to think that those who took part favoured the retention in the Department of Agriculture of the research facilities which were being thus expanded. If the minister would give an explanation in this connection it would be helpful.

Mr. GARDINER: It will not affect at all the matter of research as it is spoken of here. This has always been carried on in the Department of Agriculture under its usual activities, and will so continue. But there was a vote of $200,000 put in the agriculture estimates last year, in a supplementary vote, which was set apart for the purpose of doing certain research, more particularly in connection with oil-producing plants and the growing of different products particularly in the west and the extreme east. That vote does not appear in the estimates as they now are. It is my intention again to submit a $200,000 item to the treasury board and to the government in connection with our supplementaries this year in the hope that it will be continued. I am not now in a position to state whether it will be continued or not. But there is an item, as has been suggested, of something over $325,000 in the Department of Trade and Commerce to carry on certain research. It is not this type of research: it is to try to find new uses, namely commercial uses, for different farm products, such as the utilization of wheat in the making of rubber. It may be that not much money will be spent on that particular object, but it will be things of that type—using wheat or grains for some other purpose—and a vote of that kind does not interfere with this one.

Mr. GRAYDON: The minister is satisfied that it should be left with the national research council?

Mr. GARDINER: I am satisfied that some of it has to be. That which is associated closely with industry is probably better left with the national research council. Where the question is whether one can produce some particular type of plant in a certain area of Canada, I think it should be investigated by the Department of Agriculture, and the same may be said of projects such as the cross-breeding of plants to determine whether one can get better varieties for growing in this country.

Mr. ROSS (St. Paul's): A new type of experimentation has been going on in the preservation of meat and the sterilization of milk and so on by electronics. Is that being undertaken by the National research council? Probably the question would come under the item affecting the research council, not the Department of Agriculture.

Mr. GARDINER: On all that kind of research we work in cooperation with the national research council. We ask them to do work for us and they do it. That was the intention in setting up the council, that all the research work which could be done by the research council would be done for all departments of government, and our department, in common with all others, gets as much done as we possibly can.

Mr. GRAYDON: Mr. Chairman, let us be clear. The item which was carried before was item 7, but the minister was good enough to allow me to ask a supplementary question. That item is carried, but not item 8. Item 7 having been carried, let us call it eleven o'clock.

Progress reported.

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

Tuesday, March 7, 1944

The house met at three o'clock.

PRIVILEGE—MR. KNOWLES

JUDGES ACT AMENDMENT—ERROR IN PRINTING OF BILL

On the order for motions:

Mr. S. H. KNOWLES (Winnipeg North Centre): Mr. Speaker, yesterday by leave of the house I introduced Bill No. 9, to amend the Judges Act in reference to the salaries of certain judges on attaining the age of seventy. This morning I received, as did other hon. members, a printed copy of what purported to be my bill, but on looking inside I found that there had been printed in error a proposed amendment to the Exchequer Court Act which bears no relation to the contents of my bill; I understand that this is a government measure which is to be brought down at a later date. I hope some day to have the privilege of introducing legislation on the government side of the house, but I must disclaim any responsibility for this bill.

Mr. SPEAKER: I was informed this morning that a mistake had been made in regard to the hon. member's bill, which was put out for distribution in error. That error is being corrected, and the copy of the hon. member's bill will be in the post office to-day.

HOUSE OF COMMONS

CONSIDERATION IN COMMITTEE OF REPORT OF SPECIAL COMMITTEE ON REVISION OF STANDING ORDERS

Right Hon. W. L. MACKENZIE KING (Prime Minister): At the conclusion of last night's sitting it was announced that the first order of business to-day would be consideration of the report of the committee of His Honour the Speaker on standing orders. The house will recall that on February 1 the following were appointed a special committee to assist His Honour the Speaker in the revision of the standing orders; the motion made by myself was as follows:

That a special committee consisting of Messrs. Black (Yukon), Fauteux, Golding, Hanson (York-Sunbury), Isnor, Mackenzie (Vancouver Centre), MacInnis, McIlraith, Maybank, St. Laurent and Quelch, be appointed to assist Mr. Speaker in revising the standing orders of the house with a view to simplify, accelerate and expedite its business, and to report to the house during the present session.

On Friday, March 3, Your Honour presented the first and final report of the committee, and the Minister of Pensions and National Health (Mr. Mackenzie) moved that the report be referred to the committee of the whole on Tuesday next, which is to-day. In order to permit of the report being considered I would now move:

That Mr. Speaker do now leave the chair for the house to resolve itself into committee of the whole to consider the report of the special committee on the revision of standing orders.

Hon. members will understand that this report is for the consideration of members of the house themselves. They are at liberty to discuss it freely. The government does not assume any responsibility as to either its acceptance or rejection. It should be understood that hon. members may take whatever position they desire with respect to its recommendations, or as to the report as a whole, and may vote as they please.

Motion agreed to and the house went into committee, Mr. Bradette in the Chair.

The report of the committee follows:

Your committee, in the performance of the important duty assigned to it by the house, has taken into account the existence of general criticism of parliament both by members and representative citizens. It has fully realized that much is expected of the House of Commons where the views of the people are finding expression and where industrial and economic conditions are demanding parliamentary attention and solution. The main question before the committee was whether procedure should be amended so that the house may be able to do more legislative work in the time at its disposal and increase its efficiency as a critical and controlling assembly. Criticisms of parliament seem to have been inadequately considered in relation to the whole structure of parliament, the necessary party system and the complex situation created by a war which is now in its fifth year.

These criticisms arise from opinions concerning the functions of parliament which are often based upon such misconceptions as the view that parliament is primarily a board of directors with the members of the cabinet as its executive staff, and that members, instead of endeavouring to reconcile as much as possible all the elements of public opinion, which is difficult in our diversified country, should rigidly consider every question on its own exclusive merits. Such however is not the true function of a legislative body composed of 245 members elected to discuss the management of public affairs. Debates may sometimes be lengthy but they bring home to the administration the advisability or unpopularity of a particular line of policy and they must be heard because democratic government rests upon public opinion. Parliament is the assembly of representatives elected by the people where great issues are debated, or should be debated; it is not primarily a body of auditors charged with the inspection of departmental accounts. Freedom of speech is one of the inalienable privileges of members of the House of Commons. It is in truth the privilege of their constituents

and it is secured to members not for their personal benefit but to enable them to discharge the functions of their office. Without it, the essence of the country's liberty does not exist.

The present procedure was devised to reflect the freedom of all the members of the house, but we must realize that in wartime parliament is bound to divest itself of some of its prerogatives in order to strengthen the government's power. The principle of majority rule is a constitutional convention upon which all British parliamentary government is built but this must collapse in proportion as the principle of the protection of minorities begins to decay.

Rules are not sufficient to preserve freedom of speech and to uphold the dignity of the House of Commons. Standing orders depend for their success upon the prevalence of good will amongst all members who have to work under them. The house must rely on the forbearance of its members and on the general acquiescence in the enforcement by the Speaker of the rule which requires that members should strictly confine themselves to matters immediately pertinent to the subject of debate. In a report presented to the United Kingdom House of Commons in 1931, the following statement appears:

> Your committee would urge that unless understanding and a common loyalty prevail there will be a danger of the collapse of the system of representative government.... If the principles of equality among members, publicity of the house's proceedings, freedom of speech, majority rule, or the right of the minority to an adequate expression of opinion are consciously challenged, there is an indication of some serious defect in the life of the nation. These larger considerations cannot be regulated by rules and orders: they are the responsibility of each member of the house.

Your committee, in all its deliberations, has kept in mind the importance of not impairing the rights of minorities. Two fundamental principles govern the procedure of the house. They are, that the government shall, so long as it can maintain a majority, be able to secure such legal powers as it considers necessary for administration, and that minorities, however small, shall be able to criticize that administration. Standing orders must protect them, and it is all the more important that they be founded on right and justice because they are merely resolutions of the house which can be swept away by a majority vote. Your committee is of the firm opinion that these rights cannot be alienated even if the house, in maintaining them, may protract sessions and lay itself open to severe criticism.

The suggestion that estimates should be referred to standing or select committees has been given earnest consideration and carefully reviewed. It strikes at the root of ministerial responsibility and it divests members of the privilege of criticising from the floor of the house without advice, suggestion or influence of any kind, all departmental expenditures submitted by the government. No proposals subversive of this settled rule of action can be safely embodied in any scheme for securing closer parliamentary control. One of the objections to this proposal is that if all the estimates are referred to a standing or select committee the motion for the Speaker to leave the chair shall be abolished, which means fewer opportunities for private members to move amendments setting forth grievances or expressing want of confidence in the government. The procedure required to keep this privilege unimpaired would reduce the efficiency of the committee's functions and it would be so involved as to be misunderstood and hard to enforce. Certain estimates may be occasionally referred to a select committee in order to ascertain facts which the house desires to know, but this practice should be adopted guardedly and only in very special circumstances. Your committee does not think it would be advisable to change the present system and it believes that the elasticity of the present rules makes it possible to apply them in new situations from time to time. We, however, desire to submit that considerable time could be saved if the committee of supply sat oftener in the early part of the session. We therefore recommend that, when the yearly estimates have been brought down, one day a week be set aside for consideration of supply. If this is done, the house is not likely to find itself under the necessity of passing a great part of the estimates in the dying days of the session.

The allotment of a certain number of days for the debates which appear to become protracted was considered. Your committee was averse to multiplying rules of this character. There are already several restrictions which have been found necessary for parliamentary work and which are accepted in almost every elected assembly. We have recommended a few amendments but we feel that this house cannot go further in regulating its discussions. In spite of limitations now existing, every resolution and bill is given ample opportunities for debate in committee of the whole, standing and select committees and on the second and third readings; but as the allotment of days, under a special rule, might prevent members from speaking, it should not be ordered under the authority of a standing order. Your committee is not prepared to recommend such an inovation in our procedure which must be adapted to our own conditions and be thoroughly Canadian. Our recommendation is that, when there is reason to believe that debate will be protracted, parties and groups recognized in the house shall confer and make arrangements either for allotting days or laying any plan for saving time whilst protecting freedom of speech for every representative of the people who sits in this house.

Your committee did not think it advisable to take up at this time the question of the alleged suppression of initiative on the part of the private member. As the nation has been at war for over four years and government business has been given precedence over private members' motions and bills, this is not the proper session to consider that part of our procedure. Conditions prevailing in war time are such that private members' notices of motions and private bills must give way to war measures. The order of business followed since 1940 has been based on resolutions which practically abolished private members' days. It is an exceptional situation and perhaps the house had better wait until normal conditions return before the private member's place in the house can be fully considered.

Rules of practice are necessary in the House of Commons as well as in any court of justice and other public institutions, but the multiplicity of standing orders dealing with the

basic principles of parliamentary procedure ought not to be encouraged. There were no standing orders relating to public business in the United Kingdom House of Commons until 1707, and there were only three from 1715 to 1821—over a century. There are 95 to-day. We have 81, besides 10 dealing with the staff and 28 governing the library of parliament. Your committee is aware that members of this house are reluctant to impose restrictions on their freedom and independence, and that any attempt to translate procedure into precise rules will deprive them of the very quality which render them adaptable to new and varying conditions, or unusual combinations of circumstances, and might have the effect of restricting rather than safeguarding their privileges.

The following amendments to the standing orders are recommended:

Standing order 9 reads:

> Upon a division, the yeas and nays shall not be entered upon the minutes, unless demanded by five members.

Proposed amendment: That the following be added:

> And every member present in the chamber when the question is finally put by Mr. Speaker shall be obliged to vote, and if he does not vote Mr. Speaker shall call upon him to vote and his name shall be recorded accordingly. If he persists in not voting he may be named by Mr. Speaker for having violated a standing order of the house.

There never was any standing order governing this matter in the Canadian House of Commons. The practice for many years was that a member who remained seated during a division was often required by the Speaker to declare on what side he voted. If he persisted in not voting, neither the house nor the Speaker had authority to penalize him. In 1906, the United Kingdom house passed its standing order 29 which relieves members of the obligation to vote; and our house seemed to have been so influenced by this new practice that our speakers have hesitated to demand that all members present when the question is put are bound to vote. The procedure was not uniform, which was not fair to members who are entitled to know what are their rights in a matter of this kind. Under the new standing order, a member who may have objections to vote one way or the other shall not be forced to do so against his will as he will be free to stay out of the chamber when division takes place.

Section (1) of standing order 12 reads:

> Mr. Speaker shall preserve order and decorum, and shall decide questions of order, subject to an appeal to the house without debate. In explaining a point of order or practice, he shall state the standing order or authority applicable to the case.

Proposed amendment: That the following be added after the word "debate" in the fourth line:

> provided no division shall take place thereon unless demanded by twenty members.

Under the present procedure, when Mr. Speaker has given a decision, any member may rise and say: "I appeal from your decision." The question is then put on that appeal, and if five members rise, a division has to take place. This amendment provides that, in the future, the house will only divide on the appeal if a division is demanded by twenty members.

Section (3) of standing order 31 relating to the motion to adjourn the house for the purpose of discussing a definite matter of urgent public importance reads:

> He (the member) then hands a written statement of the matter proposed to be discussed to Mr. Speaker, who, if he thinks it in order, and of urgent public importance, reads it out and asks whether the member has the leave of the house. If objection is taken, Mr. Speaker requests those members who support the motion to rise in their places and, if more than twenty members rise accordingly, Mr. Speaker calls upon the member who has asked for leave.

Proposed amendment to be added as subsection (g) of section (6):

> There shall be no appeal from Mr. Speaker's decision as to the urgency of discussing the matter mentioned in the written statement submitted to him by the member who proposes to move the adjournment of the house.

The object of this amendment is to bring the rule in conformity with the present practice of the house and several Speaker's decisions which have been invariably sustained. The theory is now accepted that the Speaker in declaring that there is no urgency to debate the matter brought to the attention of the house does not rule on a point of order. He takes the responsibility of deciding whether or not the question proposed to be discussed is of such national importance that it should be given precedence over the appointed proceedings of the house.

Standing order 37 reads:

> No member except the Prime Minister and the leader of the opposition, or a minister moving a government order and the member speaking in reply immediately after such minister, or a member making a motion of "no confidence" in the government and a minister replying thereto, shall speak for more than forty minutes at a time in any debate.

Proposed amendment: That the following be added as section (2):

> Provided always that in the committees of the whole, supply or ways and means, no member shall speak more than once on a particular motion, clause or item under consideration, and not more than twenty minutes continuously, but his right to ask questions relating to the subject-matter of the said motion, clause or item under consideration shall not be thereby restricted.

When Mr. Speaker is in the chair, a member can only speak once, but there is no limit to the times of speaking when the house is in committee. Under the present rule, a member may make two or three forty-minute speeches during a sitting of the committee which does not last longer than three hours at a time. This amendment provides for a more equitable apportionment of time and allows more members to take part in the discussions.

Section (2) of standing order 40 reads:

> Mr. Speaker or the chairman, after having called the attention of the house, or of the committee, to the conduct of a member who persists in irrelevance, may direct him to discontinue his speech, and if the member still continues to speak, Mr. Speaker shall name him, or, if in committee, the chairman shall report him to the house.

Proposed amendment: That the following words be inserted after the word "irrelevance": "or tedious repetition".

Your committee hopes that this addition will meet with the general approval of the house.

Section (2) of standing order 43 reads:

> A reply shall be allowed to a member who has moved a substantive motion, but not to the mover of an amendment, the previous question or an instruction to a committee.

Proposed amendment: That the following be inserted after the word "motion": "or the second reading of a bill, and to a minister of the crown who has introduced a government measure". The amended section will read:

> A reply shall be allowed to a member who has moved a substantive motion, or the second reading of a bill, and to a minister of the crown who has introduced a government measure, but not to the mover of an amendment, the previous question or an instruction to a committee.

In recent years, the ministers have had to obtain leave or unanimous consent in order to answer criticism and as no objection was ever taken to this course, the house may now regulate the practice by adopting this new rule.

Standing order 44 regulates questions placed on the order paper, but does not deal with questions addressed to ministers on the orders of the day being called.

The committee proposes that the following be added as section (5) of this standing order:

> A question of urgent character may be addressed orally to a minister on the orders of the day being called, provided a copy thereof has been delivered to the minister and to the clerk of the house at least one hour before the meeting of the house. Such a question shall not be prefaced by the reading of telegrams, newspaper extracts, letters or preambles of any kind. The answer shall be oral and may be immediately followed by supplementary questions limited to three in number, without debate or comment, for the elucidation of the information given by the minister.

The custom of asking questions before the orders of the day are proceeded with has taken such a development that it is now part of our parliamentary practice. It is neither possible nor advisable to do away with it. As it seems to meet the wishes of the majority of members, the house may adopt this amendment so that the Speaker will in future be guided by a standing order when members' rights in this connection are challenged.

Standing order 49 reads:

> Only one amendment and one subamendment may be made to a motion for Mr. Speaker to leave the chair for the house to go into committee of supply or ways and means.

Proposed amendment: "That the following words be inserted after the word 'motion': 'for the Address in Reply to the Speech from the Throne' ", so that the standing order will read:

> Only one amendment and one subamendment may be made to the motion for the address in reply to the speech from the throne and to the motion for the Speaker to leave the chair for the house to go into committee of supply or ways and means.

The debate on the address in reply to the speech from the throne covers the whole ground of administration and is repeated when the budget is brought down. This debate has been abolished in the House of Assembly of South Africa where the following standing order is now in force: "Mr. Speaker shall report to this house the governor general's speech, and there shall be no debate on such report".

Your committee felt that the house could not abolish this debate, but it realized that the scope of discussion was so wide and the question of relevancy almost nonexistent on this particular occasion that the freedom of speech of every member, party or group would be fully preserved by limiting the number of amendments in the same way as on the motion for committee of supply. These two motions are in the same category, namely, they furnish occasions for airing grievances and making suggestions to the government.

Standing order 60 reads:

> If any motion be made in the house for any public aid or charge upon the people, the consideration and debate thereof may not be presently entered upon, but shall be adjourned till such further day as the house thinks fit to appoint; and then it shall be referred to a committee of the whole house, before any resolution or vote of the house do pass thereupon.

Proposed amendment: That the following be added at the end after the word "thereupon":

> provided that if the aid or charge is to be a subsidy provision of a bill to be later introduced, the motion creating it shall be considered without the house resolving itself into committee.

Your committee has reached the conclusion that there is an immense advantage in informing the members of parliament as to the nature of a money bill upon the committee stage of the discussion. The obligation to refer a resolution to the committee of the whole is one of the traditional rules of British parliaments, and though it may sometimes seem superfluous, there may be occasions when it will prevent obnoxious legislation. There can be no question of abolishing this part of our procedure, but there is no doubt in our minds that the committee stage can be avoided when the charge created by a bill is a subsidiary feature such as the payment of a staff or travelling expenses, the bill should be introduced without the formality of a resolution and the committee stage.

Standing order 75 reads:

> Every public bill shall be read twice in the house before commital or amendment.

Proposed amendment: That the following be added at the end of this standing order:

> with the exception of divorce bills passed in the Senate which shall be referred to the standing committee on private bills as soon as received from that house.

Under this new rule, divorce bills will come before the house only once. They will be thoroughly considered in the committee on private bills prior to being submitted to the

house. They are now mentioned three times before their second reading: first, when the message is read from the Senate; secondly, on first reading and thirdly on second reading. The object of the new rule is to avoid this unnecessary procedure.

Your committee is of the opinion that divorce by legislation should not take place to such an extent that bills seeking it sometimes fill many pages of the order paper. The matter is not one that can be settled by standing orders. The whole question should be given full consideration with a view to eliminating divorce bills from parliament, and your committee strongly recommends that this be done as soon as conveniently possible.

On Friday, the 25th of February last, speaking on behalf of your commitee, I asked members who may desire to place their views on procedure before your committee to write to me or the clerk of the house and I stated that their letters would be given every consideration. No suggestions have been received.

Your committee does not recommend radical changes in the rules of the house, but it believes that practices, which have been followed for years by unanimous consent, ought to be permitted by standing orders. It is only by a process of evolution that the rules can be materially altered.

Mr. GLEN: Mr. Chairman, the committee appointed by the house to assist the Speaker in the revision of the rules consisted of Messrs. Mackenzie (Vancouver Centre), St. Laurent, Hanson (York-Sunbury), Black (Yukon), McIlraith, McGarry, Fauteux, Golding, Maybank, MacInnis and Quelch. All of these hon. gentlemen are experienced parliamentarians with intimate knowledge of the needs and requirements of this house. In addition we had the benefit of the advice and the great experience of the Clerk of the House, Doctor Beauchesne.

In their deliberations the committee addressed themselves to the question of maintaining the prestige of the House of Commons, and while they have not made many changes they have recognized certain features of our parliamentary life which through custom have become part of our jurisprudence, and have endeavoured to embody in the rules amendments which they feel are necessary. The committee took cognizance of and carefully considered general criticism of the proceedings of parliament, and on page 146 of *Votes and Proceedings* of March 3, last, they gave effect to their viewpoint by stating

Your committee, in the performance of the important duty assigned to it by the house, has taken into account the existence of general criticism of parliament both by members and representative citizens. It has fully realized that much is expected of the House of Commons where the views of the people are finding expression and where industrial and economic conditions are demanding parliamentary attention and solution. The main question before the committee was whether procedure should be amended so that the house may be able to do more legislative work in the time at its disposal and increase its efficiency as a critical and controlling assembly. Criticisms of parliament seem to have been inadequately considered in relation to the whole structure of parliament, the necessary party system and the complex situation created by a war which is now in its fifth year.

These criticisms arise from opinions concerning the functions of parliament which are often based upon such misconceptions as the view that parliament is primarily a board of directors with the members of the cabinet as its executive staff, and that members, instead of endeavouring to reconcile as much as possible all the elements of public opinion, which is difficult in our diversified country, should rigidly consider every question on its own exclusive merits. Such however is not the true function of a legislative body composed of 245 members elected to discuss the management of public affairs. Debates may sometimes be lengthy but they bring home to the administration the advisability or unpopularity of a particular line of policy, and they must be heard because democratic government rests upon public opinion. Parliament is the assembly of representatives elected by the people where great issues are debated, or should be debated; it is not primarily a body of auditors charged with the inspection of departmental accounts. Freedom of speech is one of the inalienable privileges of members of the House of Commons. It is in truth the privilege of their constituents and it is secured to members not for their personal benefit but to enable them to discharge the functions of their office. Without it, the essence of the country's liberty does not exist.

Hon. members will notice in the report that a paramount thought in the minds of the members of the committee was to see that the rights of minorities were not impaired. On page 147 of *Votes and Proceedings* of March 3, last, the committee has stated this principle in exact language:

Your committee, in all its deliberations, has kept in mind the importance of not impairing the rights of minorities. Two fundamental principles govern the procedure of the house. They are, that the government shall, so long as it can maintain a majority, be able to secure such legal powers as it considers necessary for administration, and that minorities, however small, shall be able to criticize that administration. Standing orders must protect them, and it is all the more important that they be founded on right and justice because they are merely resolutions of the house which can be swept away by a majority vote. Your committee is of the firm opinion that these rights cannot be alienated even if the house, in maintaining them, may protract sessions and lay itself open to severe criticism.

Some considerable criticism has been offered from time to time in the press and elsewhere regarding the consideration of estimates. The committee very carefully considered this mat-

ter and the right of that criticism, but came to the conclusions as stated in the said page 147 of *Votes and Proceedings,* as follows:

The suggestion that estimates should be referred to standing or select committees has been given earnest consideration and carefully reviewed. It strikes at the root of ministerial responsibility and it divests members of the privilege of criticizing from the floor of the house without advice, suggestion or influence of any kind, all departmental expenditures submitted by the government. No proposals subversive of this settled rule of action can be safely embodied in any scheme for securing closer parliamentary control. One of the objections to this proposal is that if all the estimates are referred to a standing or select committee the motion for the speaker to leave the chair shall be abolished, which means fewer opportunities for private members to move amendments setting forth grievances or expressing want of confidence in the government. The procedure required to keep this privilege unimpaired would reduce the efficiency of the committee's functions and it would be so involved as to be misunderstood and hard to enforce. Certain estimates may be occasionally referred to a select committee in order to ascertain facts which the house desires to know, but this practice should be adopted guardedly and only in very special circumstances. Your committee does not think it would be advisable to change the present system and it believes that the elasticity of the present rules makes it possible to apply them in new situations from time to time. We, however, desire to submit that considerable time could be saved if the committee of supply sat oftener in the early part of the session. We therefore recommend that, when the yearly estimates have been brought down, one day a week be set aside for consideration of supply. If this is done, the house is not likely to find itself under the necessity of passing a great part of the estimates in the dying days of the session.

It has been widely suggested that protracted debates should not be encouraged. The committee was fully aware of this defect in our procedure but did not feel it should further curtail debate, because after all there are a number of standing orders which, if exercised, can prevent undue debate. They are standing order 39, the rule with regard to closure; standing order 55, which provides for the previous question; standing order 48, which states that when a question is under debate, a motion can be made to amend it, postpone it to a day certain, for the previous question, for reading orders of the day, proceeding to another order, to adjourn debate or to adjourn the house; standing order 38, respecting undebatable motions, including adjournment motions, decided without debate or amendment; standing order 49, stating that only one amendment and one subamendment may be made on a motion for Mr. Speaker to leave the chair to go into supply or ways and means.

The committee did however think that some amendments should be made with regard to the speech from the throne and also to the proceedings when the house is in committee, and these matters will be discussed when the amendments are before this committee.

Mr. HANSON (York-Sunbury): Mr. Chairman, the Prime Minister (Mr. Mackenzie King) made it quite clear—and I thank him for it—that this is to be a free discussion. I hope hon. members will take full advantage of the opportunity now presented to them to investigate the various matters dealt with in this report, and all allied subjects which may commend themselves to their consideration.

It is not often the rules of the house are revised. The last occasion was in 1927, now some seventeen years ago. While I had the honour and privilege to serve on that committee, I do not pretend to be an expert on rules or procedure. I am afraid that in a busy life I have not taken advantage of the opportunities which might have been mine to study such matters. And yet they are important. I am surprised that the general invitation extended by Mr. Speaker to hon. members, to make representations to the committee respecting improvements which in their opinion might be made, was not taken advantage of, either orally or in writing. I understand that not a single representation was made to the committee by any member, outside the members of the committee, although ample opportunity was afforded for so doing, and an invitation was extended to them to appear in person if necessary. That rather indicates—I do not say this in any carping spirit of criticism—indifference on the part of hon. members.

Why was this committee set up? I venture to suggest that there are two reasons. First there was the criticism from outside, particularly from the press, which in days gone by had been directed at the proceedings of the House of Commons. In parenthesis may I say that I held the view, which I may hold alone, that a good deal of that criticism was uninformed. I say this is no spirit of bitterness or revenge because of the criticism which had been levelled at the house. So far as I am concerned I have endeavoured in season and out of season to uphold the dignity of this parliament so that it may commend itself to the people of Canada as the highest court of the people.

Why are rules of parliament set up? The first reason is that there may be an orderly conduct of the public business. This is fundamental, just as it is in connection with the affairs of any other deliberative assembly or any joint stock company. There must be

rules to govern not only the internal operations of a company but the procedure at its meetings. If you will read history you will see that for generations the mother of parliaments has had rules of procedure governing the course of public business. One fundamental right we have gained after a long struggle is that which is extended to minorities in order to protect them against the machinations or the power of governments. Any revision of rules which would take away from the minorities any of the rights which have been extracted from parliaments over a long period of years would not make for good government in this country. The very essence of democracy is the right of opposing parties to criticize and expose weaknesses, and if possible, by means of cross-examination or other arts to which resort may be had, to arrive at the truth. Any infringement of the powers and privileges which have been thus set up over a long period of years, both in the mother of parliaments and in Canada since confederation, yes and in the assemblies preceding confederation, would be a weakening of democracy itself.

The order of reference to the special committee was quite wide—that the standing orders be revised with a view to simplifying, accelerating and expediting business. I should like to pay a tribute to the members of this committee. There was not a single attempt made to abrogate or abridge the rights of minorities. I have never served on a committee where there was a better spirit of cooperation. We approached the matter objectively and there was a unanimous desire to improve conditions. On several occasions when the committee was meeting I wished I could say the same about all committees of the house. There was an entire absence of partisanship or of attempts to put something over. We were all seeking a way to do well that which we had been appointed to do, and I think we have arrived at some sane conclusions.

May I say that the conclusions of the committee were by no means unanimous. I could not follow Mr. Speaker in his remarks, but my understanding is that while there was a difference of opinion, there was the view that the report represented a good cross-section of the opinion of the committee. Anyone was left free to criticize any particular item he might desire to criticize.

I think one of the reasons this committee was set up was the criticism throughout the country that there were too many speeches and that speeches were too long. I remember that this was the chief item of consideration by the committee set up in 1927. The recommendation of that committee for a forty-minute limitation on speeches was accepted by this house, but so far as my observation goes it did not have the effect of correcting what was then alleged to be an evil. I do not sympathize very much with the view that per se a long speech is an evil. If we took that as a standard, the Prime Minister would stand convicted over and above every one of us. It is what is in a speech that counts.

Mr. MACKENZIE KING: Hear, hear.

Mr. HANSON (York-Sunbury): I think we all agree with that statement of general principle. I hope the Prime Minister will agree with the facetious remark I have just made that he of all men has made the longest speeches in this house that I have ever heard. Some of them may have been good, and some of them may have been bad.

Mr. MACKENZIE KING: My hon. friend has made the worst.

Mr. HANSON (York-Sunbury): That may be true. One is always the poorest judge of his own efforts, and we shall have to leave that question to posterity. I was a little more generous in my reference to the Prime Minister's efforts. I said that some of them were good and I will say that some of them were exceedingly bad. However, that is only in passing.

The limitation of forty minutes did not bring about the results which the committee of that day and the House of Commons thought would be brought about. Therefore the matter was again considered by the committee which has now reported. I am bound to say that the consensus was that the cutting of speeches down to thirty minutes—there were exceptions to this point of view—would be an abridgement of the rights of private members. Personally I could not bring myself to agree to that abridgement. Private members have only two or three occasions during the session when they can make what is termed a set speech for the benefit of their constituents. I remember discussing this very matter one day with an old parliamentarian, Mr. D. D. McKenzie, who was very friendly to me when I first came to this house. He said to me, "Every member of the House of Commons who has anything to say ought to make one good reasoned speech a year and send it out to his constituents to let them know that he is there." I thought that was sound advice, and for a number of years I followed it. This brings us to a consideration of how long a man who only makes one speech in a session should be allowed to speak. If he has anything to say, if he has any ideas to

present, he cannot present them in less than forty minutes, and I am opposed to any further abridgement of that time. But when it comes to speaking in committee—I am looking particularly at some members opposite, and commend this especially to them—I think there should be an abridgement of speeches. Under the present rule members can speak forty minutes in committee and cover a wide field, and if they are interrupted, or something intervenes, they can go on and make another forty-minute speech. That is repetitious and tiresome, and the special committee was unanimously of the opinion that a limitation should be put on speeches in committee of the whole. Therefore we have recommended, and I concur fully in the recommendation that speeches in committee shall be limited to twenty minutes on any particular clause or item—I think that is the term used in the report—and that there shall be full opportunity of questioning.

I am not going through the report seriatim. I have indicated certain general views, and Mr. Speaker in the course of his remarks has pointed out what I think very many members and most of the press, if I may be rash enough to admonish them on this point, feel—that there are many opportunities in the hands of the administration and of the house itself to restrict debate. The trouble is that the remedies that are readily available are not called into operation. There is the closure. How many times has the closure been used in this house? What brought about the provision for closure? Obstruction—filibustering—that was the only reason. Something had to be done to stop it, and the closure was introduced. I was not here at the time, but I have read about it. Fortunately we do not have much obstruction nowadays, and perhaps it is not necessary to use the closure. But there is another medium, and that is the medium of consultation and cooperation between groups in the house, which would have the same effect. I commend to the party leaders and to the party whips the use of the voluntary system, which after all is a pretty good system if you can get it to work, and it can be made to work if we see things with sweet reasonableness.

Mr. Speaker has enumerated all the other methods that may be resorted to for restricting debate. We have, in fact, everything in Canada, so far as I can see, that they have in the mother of parliaments for restricting debate excepting the guillotine, and I am not sure that we have not something reasonably approaching the guillotine. I am not going to go into details in these matters.

There is one part of the report with which I am not in accord, and that is that the Speaker should be the sole judge of the question of urgency. I believe that I am in a minority in the committee on that point. It was stated in the committee that the Speaker's decisions are never overruled. That I think is true in general, but I do remember one historic occasion on which the Speaker's decision was overruled. On the question of urgency it seems to me that we are limiting the rights of private members if we put into effect the proposed amendment to the rules. But I am not going to argue the point at length; I shall not repeat the arguments that were made in the committee. There are other members of this committee who understand the position, and I shall leave the matter to them.

There is just one other point I want to discuss. With the exception of the question of the Speaker being the sole judge of urgency, I am in favour of the report of the committee and intend to vote for it, though how I shall be able to reserve my vote on that one point is not quite clear. I suppose we shall have to accept or reject the report in whole, or move to strike out a particular part, but if we cannot amend a particualr part I shall have to vote for the whole report.

The question of parliament dealing with divorce bills is the other question to which I wanted to refer. It is a matter of procedure. But any attempt merely to shorten the method of procedure with respect to divorce bills is not dealing with the root of, I will not say, an evil, but a situation which confronts this house. I take the broad view that no divorce bills should be brought into parliament at all, that divorce should be exclusively referred to the courts, and I am going to say that that is a matter of public policy in which I think the government should give a lead. I know it is a delicate question. I am not going to hurt the religious sensibilities of anybody. I believe in the principle of divorce. I believe that there is such a thing as unholy wedlock, and it may develop into unholy deadlock. That is not original with me. Mr. A. P. Herbert wrote a novel on that which I commend to the Prime Minister as good reading for relaxation. If he will only read that book it might convert him to the point of view I am trying to set forth, if he is opposed to it.

Mr. GRAYDON: It might encourage him to get married.

Mr. HANSON (York-Sunbury): That is hopeless at his time of life. It is only old

widowers who get married at his time of life. Perhaps they have more courage than discretion.

But let us be serious about this question of divorce. The recommendation with respect to procedure on divorce bills is the best that the committee could evolve, having regard to the limited length of time we devoted to a discussion of the subject. I support that recommendation and I ask hon. members of the house to support it, but it is not dealing with the problem as it ought to be dealt with.

This is the suggestion I make to the government. Get this vexed question of divorce out of the arena of parliamentary government. Get it out of the Senate and get it out of the House of Commons. Let us set up a division of the Exchequer Court of Canada, a division which will be clothed with jurisdiction to deal with divorce. We can do this, and then let us relegate the whole question of divorce to the courts, where it ought to be, just as we have referred the question of contested elections to the courts. It will not take away from us our right to deal with the question of divorce by legislation. Neither have we by referring contested elections to the courts robbed parliament of its jurisdiction to deal with that subject. Parliament right down through the ages has decided that questions of the kind which involve judicial discretion and that sort of thing can best be dealt with by the courts. My recommendation to the Prime Minister and to the government and to the members of the house, and may I say with the utmost candour to those who perhaps differ with me as to the ethical or religious aspects involved, that I believe the proper course for them to support would be to get this vexed question out of parliament and into the hands of a judicial body which will approach it fully qualified by education and by administrative experience and by knowledge of the law and of procedure to deal with it in a judicial manner. I commend that to the whole house. Let us not pussyfoot with this question any longer. Let us have an expression of opinion, if you like, although I am not inviting extensive debate; let us try to do something constructive in the matter and get this question off the order paper once and for all.

Mr. MacINNIS: I understand that the various recommendations made by the committee will be discussed in the order in which they were made and will be decided by a vote of this committee. I do not therefore think it is necessary to take very much time in a general discussion. To do so, I think, would be to act contrary to the purpose for which the committee was set up. I wish to associate myself with the hon. member for York-Sunbury (Mr. Hanson) in what he said about the committee. I was very glad to find that all its members, regardless of what party or group they belonged, were equally determined that the rights of the minorities should be maintained. In that connection, I think, we also recognized that the minority rights were not rights of groups only, but were rights of individuals. As has been very well put into the report by those who drafted it—*Votes and Proceedings* page 147:

> It is in truth the privilege of their constituents and it is secured to members not for their personal benefit but to enable them to discharge the functions of their office.

That is the spirit in which the committee approached its work. There may be a feeling, possibly a justifiable one, that the committee did not go sufficiently deep into the rules of procedure and bring in a fuller report—that is, a report proposing changes which would expedite the business of the house to the extent that we think it should be expedited. But the committee felt that we were dealing with the subject at an abnormal time. This is a time of war, when ordinary parliamentary procedure is, necessarily, upset, and we grant to the government, because of the necessities of the times, many powers which would not be given to it in ordinary times. I believe that when we return again to normal conditions a similar committee should be set up to go more fully into the rules.

There is another point which the committee had in mind. While we tried to maintain and were anxious to maintain the rights of minorities, we realized that there is such a thing as the rights of the majority; that the government, after what might be considered sufficient time has been given to debate any matter, must have resources to curtail debate and get on with the business which has been entrusted to it by the country.

The hon. member for York-Sunbury referred to the necessity of preserving the dignity of the House of Commons. I think we are all agreed on that. But after all, the people of the country want something more than dignity; they expect parliament to do business, and I believe business can be done just as well in a dignified as in an undignified way. But let us not lose sight of the fact that the people of the country to-day have come very close to parliament. When parliamentary institutions were in process of growth, parliament had very little to do with the everyday life of the people. Parliament was a sort of policeman; it arranged for granting the ruling monarch money to run the country, and concerned itself with a limited range of things of that kind. But to-day

parliament is concerned with the everyday life of the people in an intimate way, and all are agreed that in future it will be more concerned with that than it has been in the past or is even to-day.

If we are to be successful in carrying on with our democratic institutions, something more than standing orders and rules will be necessary. Democracy in the ultimate depends on self-discipline, and I believe we can promote that practice here in the House of Commons. The government of the day could facilitate and speed the work of the house and obtain cooperation from the opposition by approaching the opposition in a spirit of cooperation, but it will have to be done in such a way as to satisfy the opposition that the government has nothing "up its sleeve," as the saying is. I am satisfied that if the opposition is approached in this way a great deal can be accomplished. Perhaps the reason I lean so definitely in that direction is that I myself am a cooperative person; I hate to be driven, but I respond quickly to cooperation, and I find that that is also true of the people with whom I am associated.

There are one or two recommendations with which I do not fully agree, and I shall have something to say on those as they come up, so that I will not at this point take any further time of the committee.

Mr. QUELCH: As one who sat on the committee I should like to say that I appreciated the expeditious way in which, under the able chairmanship of Mr. Speaker, it concluded its sittings. I suppose some hon. members will feel that the committee did not go far enough, and I do not doubt that a good deal of criticism in that regard will be heard from people outside the house. On the other hand there will doubtless be many hon. members who believe that the report goes too far.

I believe we all agree it is desirable that measures be introduced with a view to expediting the business of the house. We have all been aware that business has on occasions dragged on day after day without anything really worth while being accomplished. On the other hand we all agree that the rights and privileges of individual members and of minorities must be guarded jealously. So that when you try to expedite the business of the house without infringing upon the rights of individual members or minorities, you face a difficult problem. These points were plainly in the minds of the committee during its sittings.

As I understand that the different sections will be taken one at a time, I will conclude by saying that, generally speaking, I am in full accord with the report.

Mr. LACOMBE: I want to make a few remarks concerning the amendment proposed to the parliamentary rules and forms of the House of Commons. It was a real pleasure and satisfaction for me and my colleagues to hear a few moments ago the speech delivered by His Honour the Speaker. Elected to this house in 1925, I remember that His Honour was at that time, as he has been at all times, one of the best debaters in this house. Mr. Speaker is now speaking with the same eloquence.

(Translation): Generally speaking, the proposed amendments to the Rules of the House are excellent. However, I am bound to oppose one of them, for it is detrimental to the rights and privileges of members of this house. Why should the support of twenty members, instead of five as heretofore, be necessary in the future to force a vote on a decision of the hon. Speaker? This is a harsh proposition which should not go through. Thus, when a minority group numbers less than 20 members, it will be impossible for them to force a vote without the support of members from other groups with political tenets inconsistent with their own. In most cases it will be absolutely impossible. Such a measure would deprive the representatives of the people of the freedom of speech to which they are entitled in moving amendments to government policies. Indeed, what would be the use of moving such amendments if those members are deprived of the privilege of forcing a vote on a decision of the hon. Speaker, due to conditions which render the taking of a vote an impossibility?

I am not finding fault with the other proposed amendments. On the contrary, they will result in shortening the debate, especially in connection with the estimates. Mr. Chairman, measures should have been adopted long ago to curb the abuses that have been so common at every session of parliament, when the estimates are before the house. I have seen members repeatedly taking part in the debate on a single item, making the same utterances ten and even fifteen times over. At last, the government realize the futility of such goings on, which unduly lengthen the sessions of parliament.

I shall close my remarks by a few words on the divorce bills. The committee entrusted with the revision of the Rules of the House have recommended some amendments which would render the adoption of divorce bills more difficult. I congratulate them for it. I shall go further and state that divorce bills should not be submitted either to the house or

to a committee of the house. When such bills apply to Roman Catholics or when one of the parties is a Catholic, the bills should simply be dropped.

The civil code of the province of Quebec contains measures entitling the interested parties to apply to the courts of the province for an action in separation from bed and board or a decree of invalidity in certain special cases. Therefore, I wonder why the federal government does not adopt an act to refer Catholic husbands and wives to our courts, where they could avail themselves of French civil laws. Besides, the Roman Catholic dogmas hold that marriage is indissoluble and that its bonds can be severed only by the death of one of the parties. The federal government, when adopting divorce bills concerning Catholic married couples residing in the province of Quebec, not only transgresses against the civil code of that province, but also violates Canon law and the precepts of the Catholic faith.

One further remark, Mr. Chairman. The granting of these divorce bills, like a cancerous growth, eats into the very life of society, of which the family is the living cell. Divorce is one of the worst evils of our days. It should once for all be banished from civilization. It is a disgrace for both parents and children. The government is contemplating the implementation of a complete programme of social legislation. Will they allow divorce to keep on eating away at the very heart of society, the family? We claim to be fighting for civilization and still we adopt divorce bills worthy of Zulus and of the most backward tribes of the universe. Why not, once for all, close the doors of parliament against these divorce bills which have done us and are still doing us so much harm? Thus we would protect parents against themselves and children against the deplorable errors of their elders. This is a social as well as a national duty. The government must not and cannot avoid the issue. On behalf of family, society and civilization, I urge that divorce, this canker of society and the home, be prohibited.

Mr. BLACK (Yukon): I have had the pleasure and honour of serving on two committees while a member of this house, which committees were set up to consider the rules and standing orders of the house. As the hon. member for York-Sunbury (Mr. Hanson) said, he was on the committee in 1927 and I had the honour of being on that same committee. The late Speaker Lemieux was chairman of that committee, as our Speaker to-day is chairman of the committee which has brought in this report.

I do not think any member of the committee would pretend to ask the house to accept the report as a complete solution of all the problems that arise from time to time in procedure in this House of Commons, but I hope the house generally will feel that some improvement is offered by the report in this respect.

I do not propose to go into the report in detail, but I would refer to two or three of the proposed amendments. For instance, standing order 37 now reads:

> No member, except the Prime Minister and the leader of the opposition, or a minister moving a government order and the member speaking in reply immediately after such minister, or a member making a motion of "no confidence" in the government and a minister replying thereto, shall speak for more than forty minutes at a time in any debate.

That forty-minute limitation applies not only when the Speaker is in the chair but in committee as well. As has been pointed out by previous speakers, any member in committee of the whole can make as many forty minute speeches as he likes, and, the afternoon session lasting only three hours, two or three members can take up the whole time of the house. It is with a view to improving that condition that this amendment is offered as section 2 of standing order 37, in these words:

> Provided always that in committees of the whole, supply or ways and means, no member shall speak more than once on a particular motion, clause or item under consideration, and not more than twenty minutes continuously, but his right to ask questions relating to the subject matter of the said motion, clause or item under consideration shall not be thereby restricted.

To some extent that does cut down the time that a member may take up in committee, but I do not think it takes away any substantial rights that he may enjoy as a private member of the house.

The proposed amendment to section 2 of standing order 43 in effect adds to the rights of a minister of the crown as the rules now stand. That section reads:

> A reply shall be allowed to a member who has moved a substantive motion, but not to the mover of an amendment, the previous question or an instruction to a committee.

It is now proposed that the following words be added:

. . . or the second reading of a bill, and to a minister of the crown who has introduced a government measure.

Once a minister has introduced a government measure, criticism or commendation is offered, and it seemed to the committee only right that the minister should have the privilege of replying to all that had been said regarding that measure, though under the rules as they are constituted at present he has not that right.

Then a recommendation is made in regard to questions asked on the orders of the day, which I know have been a source of worry, shall I say, to all Speakers of this house. The committee did not see fit to curtail the right of hon. members to ask questions of ministers on the orders of the day, and in that I heartily concur; but following the British practice it was thought that the procedure might be improved, and the committee has proposed that the following be added as section 5 of standing order 44:

A question of urgent character may be addressed orally to a minister on the orders of the day being called, provided a copy thereof has been delivered to the minister and to the Clerk of the House at least one hour before the meeting of the house. Such a question shall not be prefaced by the reading of telegrams, newspaper extracts, letters or preambles of any kind. The answer shall be oral and may be immediately followed by supplementary questions limited to three in number, without debate or comment, for the elucidation of the information given by the minister.

I hope the government will approve this recommendation, and that it will meet with the support of hon. members of the house.

Mr. ROY: Mr. Chairman, at the moment I do not intend to comment on the recommendations that have been presented by this committee. Rather I should like to direct attention to another recommendation which in my opinion would be very desirable but which the committee has not seen fit to include in its report. Citation 314 under standing order 41 reads:

It is a rule in both houses of parliament that a member must address the house orally, and not read from a written, previously prepared speech, for the reason that "if the practice of reading speeches should prevail, members might read speeches that were written by other people, and the time of the house be taken up in considering the arguments of persons who were not deserving of their attention."

It has been the custom of a great many hon. members of this house to read their speeches, though roughly and freely; and when no objection has been taken Mr. Speaker has allowed them to continue to do so. Unfortunately, however, some of those who usually read their own speeches would object to other hon. members being given the same privilege. In my view this situation should be settled, and I had hoped that the committee might recommend that standing order 41 be done away with altogether, or on the other hand that the rule be applied strictly to all hon. members of the house.

Mr. REID: Mr. Chairman, it is some seventeen years since the rules of the house were last amended. I have been a member of the house since 1930, and before we go on to deal with the individual recommendations I should like to say a word or two in general. First, in reference to the remarks of the hon. member for York-Sunbury (Mr. Hanson), it is my opinion that hon. members did not send in suggestions to the special committee because we all realized that the committee was composed of members experienced in the rules of procedure; and speaking for myself, I felt that I could not make any suggestion of which the members of the special committee would not have personal knowledge already. As the hon. member for York-Sunbury was speaking, however, I noted his reference to the support he gave to the proposal that in committee of the whole members should be limited to twenty minutes. If my timing was accurate the hon. member took a little over twenty minutes this afternoon, which indicates to me at least that we should be very careful not to change these rules too quickly because in so doing perhaps we may shut off an hon. member who has something really worth while to say.

The hon. member for Vancouver East (Mr. MacInnis) pointed out that we are at war, that certain changes are necessary during war time, and that after the war is over we might go back to the old rules. Well, Mr. Chairman, I am not as sanguine as the hon. member is in that regard, because every change that has been made in the past in regard to the rules has remained in effect. The fact that it is some seventeen years since the rules have been changed shows at least how reluctant we are to alter the rules which have to do with the conduct of the House of Commons. Very few hon. members have made a study of the rules, but I think most of us have at least a sense of what they should be, realizing that after all we have an important position to uphold and that we should set an example in decorum and good behaviour.

The hon. member for Gaspé (Mr. Roy) had a word to say with regard to the reading of speeches. I trust that what I am about

to say will not be taken as a reflection upon the present Speaker or upon any hon. member of this house, because that is not my intention; but the reading of speeches has been a very sore point, shall I say, with many members of parliament. I am one of those who take the position that while there is a duty imposed upon members of this house to uphold the rules, there is also a duty upon those who conduct the proceedings of the house or the committee. The duties of members of the house are well expressed in the report brought down, where it is stated that—

> Rules are not sufficient to preserve freedom of speech and to uphold the dignity of the House of Commons. Standing orders depend for their success upon the prevalence of good will amongst all members who have to work under them. The house must rely on the forbearance of its members and on the general acquiescence in the enforcement by the Speaker of the rule which requires that members should strictly confine themselves to matters immediately pertinent to the subject of debate.

That is all very true. When I first came to the House of Commons, like most new members I felt rather timid and on that occasion attempted to read my speech. But I had a difficult time in getting through, because one hon. member on the government side—we were sitting in opposition at the time—drew Mr. Speaker's attention to the fact that I was reading my speech; and the then Speaker, the present hon. member for Yukon (Mr. Black), rose I believe something like five times in an endeavour to have me desist from reading my speech. I shall not forget the example set for me on that occasion. It was a good lesson to me. I had come to the chamber with my speech fully written out, as a new member of the house. Had I been stopped on that occasion from reading I must confess the speech might not have been delivered. Perhaps it does not matter now whether it was delivered or not. The fact is that I was stopped. I did feel it keenly when, after that, I saw other hon. members deliberately reading their speeches. No member with any great sense of feeling likes to rise in his place and draw Mr. Speaker's attention to the fact that another hon. member is reading his speech. I did not do it then, although I might well have done it; and had I wanted to get back at members on the government side, I had reason to do it. I personally object to the reading of speeches; it is a dangerous procedure which has grown up in our House of Commons. I say at once that a well-read speech, if it is a good one, is much better than one which is not well delivered and may not contain as much good material, but it is better that the member express his own thoughts. After all however we had better be careful that we do not countenance the thoughts and mind of someone outside the house. It is the easiest thing in the world for individuals belonging to any party, or for independents or the members of any group, to have speeches deliberately written for them and handed to them when they are entering the house. It is very easy to read those speeches. I do not say this in any spirit of criticism, but I do believe we are drifting toward the American system, where members may hand in a whole speech. One of them, I believe, handed in the whole Book of Isaiah.

Mr. GRAYDON: That would be at least better than the speeches.

Mr. REID: I offer that as an illustration to show to what extent the reading of speeches has progressed across the boundary line, and how we are drifting in that direction. As was pointed out by the then Right Hon. R. B. Bennett, it is not a good thing to introduce the 246th member into the house when there are only 245 places.

I shall leave that part of my remarks by saying this, that I for one believe that the rules should be strictly enforced on everyone alike. I believe that in that event every hon. member will not object, believing that the rules offer ample assurance that every one of us may speak, no matter on which side of the house he may sit. All hon. members realize that we must have rules in the house, just the same as does a ratepayers' association, if it is to run its own show with decency and decorum. We would have bedlam and confusion on many occasions if half a dozen hon. members were trying to speak without having the rules brought into effect.

May I now return to one of the provisions in the suggested rules to which I think I shall have to take exception at the proper time. I refer to the suggested rule that a member may speak only once for twenty minutes continuously when the house is in committee of supply or ways and means. If that means that an hon. member may speak only once on an item, whether it be for five minutes or twenty minutes, and that following that his right is only that of asking questions, I must oppose it. I would ask hon. members to give serious consideration to this suggestion. If it means something other than I have described, the wording is not clear. I shall not read the paragraph now, because we shall reach it later in the debate. I would view with alarm, however, any curtailment of the rights of members.

I know that at times we refer to what takes place in Great Britain. But after all, the people of Great Britain are different from us. Their philosophy goes back hundreds of years and, more or less, they are all the same kind of people. On the other hand we are a new country to which people have come from all other countries of the world.

There are some who hold the view which I deprecate, that ability to speak is the sole indication of ability. I contend that is not always so, because many I have heard who have ability to speak had nothing much left of ability after they had spoken. We are living in days of public speaking. Every man in public life to-day must be able to hold forth. I remember a certain person being referred to as a Moses who would lead the people out of the wilderness. I said to the person who had made the reference, "I wonder if you have read Holy Writ." You will find that when the man Moses was chosen to lead the children of Israel out of the wilderness his first remark to the Lord was, "O my Lord, I am not a speaker." The Lord in reply said, "I am not looking for a speaker; I am looking for a leader. We will get someone else to speak." All leaders in those days were chosen as such, but to-day our philosophy is different, and I do not know that it is all for the better.

I shall take these amendments into consideration, but I am afraid I shall have to vote against the limitation respecting the twenty-minute speech, if it means that a member cannot speak more than once on one item. Suppose a member is speaking on a certain item, and someone across the floor makes observations which should be answered; if the original speaker is confined to twenty minutes and has already used that time, he is denied the right to reply. Certainly I am not in favour of that, and I would ask hon. members to be careful how they vote when that amendment is before them.

Mr. POULIOT: Mr. Chairman, I pay tribute to Mr. Speaker and to his predecessor, who is now one of our esteemed colleagues in the house, the hon. member for Yukon (Mr. Black), and to all hon. members of the committee for the work they have done. I pay tribute, too, to hon. members who have already spoken in a non-partisan spirit.

I have read the report carefully, and it reminds me of a remark once made to me by a learned theologian, a holy man who had listened to a sermon delivered by a young clergyman. I noticed the theologian was walking in the corridor and counting on his fingers. Afterwards I said to him, "Did you pray during the sermon?" He said, "No, I was counting the heresies." If we read the preamble of the report we find there are many statements which stare at each other and put us under the obligation of accepting the report, not with a grain but with a pail of salt.

The first sentence reads:

> Your committee, in the performance of the important duty assigned to it by the house, has taken into account the existence of general criticism of parliament both by members and representative citizens.

Whoever heard of general criticism of parliament, even by the press? There have been some tycoons who have tried to impose their views upon parliament, who have tried to discredit the work of members of parliament, but that is all. I should like the members of the press gallery to change places with us some day and let us pass judgment upon their work. I think they would find it pretty hard to do what hon. members are doing, not only for their constituents but for the Canadian people at large.

My first observation is that this report has been actuated by fear—fear of the yellow press and of certain club men who know nothing about what is going on in parliament but who pass judgment upon us while smoking long cigars between drinks of Scotch and soda. I deny most emphatically that there has been a general criticism of parliament, especially by members of parliament. For a member to do that would be for him to prove himself unfaithful to his colleagues. He would be forgetting the work that they are actually doing in this house for the Canadian people. If there has been criticism by representative citizens, it has been by only a handful of men who do not know what they are talking about.

The report goes on:

> It has been fully realized that much is expected of the House of Commons where the views of the people are finding expression and where industrial and economic conditions are demanding parliamentary attention and solution.

Mark you, those are the words of an optimist. When have we been able to solve industrial and economic problems? We are called here simply to vote money and impose taxation. That is the only thing we have done since the beginning of the war. The report goes on:

> The main question before the committee was whether procedure should be amended so that the house may be able to do more legislative work in the time at its disposal and increase its efficiency as a critical and controlling assembly.

We must read between the lines. In the first place, it is not the business of hon. members to initiate legislation; that is the duty of

the government. A private member may introduce legislation, but it never gets beyond the second reading. Private members cannot be blamed if the legislation is not satisfactory. This part of the report is a reflection upon the kind of legislation that has been brought before the house by the government. It cannot be otherwise, because we are precluded from bringing in legislation. I quote again:

—and increase its efficiency as a critical and controlling assembly.

Note those words, "controlling assembly." That means the controlling of accounts, but we have no accounts. How can we control accounts that we do not have? Year after year I have insisted upon the reestablishment of the old system of accounting, and where did I get any support? I received some support from two of my friends in the Conservative party, the hon. member for Broadview (Mr. Church) and the hon. member for Davenport (Mr. MacNicol). I also received some encouragement from the hon. member for Lethbridge (Mr. Blackmore), the leader of the New Democracy group. I admit that the former leader of the opposition agreed with me and with the other hon. members whom I have mentioned already, but he said we should wait until after the war to see to it. He admitted that the complaint was well-founded but thought it would be in the public interest to wait until after the war when we could discuss the whole thing.

There was a third point of view expressed by a member of the Conservative party. It was put forth by one of the members from Toronto who said that I was playing Hitler's game when I was doing some work for my own constituents and for the Canadian people. I was simply asking for information. That statement was made in plain language by one of the members from Toronto whom I would name if he were in his seat at the present time. It is pretty hard to be doing something in this house for the Canadian people and then be treated in that way by one of my colleagues. There is something lacking in this report. It should contain a provision to permit you to call to order any member who accuses any one of his colleagues of doing something to help the enemy when he is just trying to defend his own people. The report continues:

Criticisms of parliament seem to have been inadequately considered in relation to the whole structure of parliament, the necessary party system and the complex situation created by a war which is now in its fifth year.

And later on:

Parliament is the assembly of representatives elected by the people where great issues are debated, or should be debated; it is not primarily a body of auditors charged with the inspection of departmental accounts.

Two of those statements contradict each other. One states that the House of Commons is a controlling assembly and the other states that we are not a body of auditors. How is it possible to reconcile those two statements? I have referred to the attempts I have made to have proper public accounts and a proper report by the auditor general brought before us. Every cent expended by the treasury should be accounted for. What do we get? Practically nothing. The right of audit, which is the right of parliament has been taken over by the Department of Finance, by the comptroller of the treasury. The Minister of Finance alone has the right to approve the payment of items voted for any department. He is empowered with the right to audit those payments. The office of the auditor general has become just a mockery. I quote:

Freedom of speech is one of the inalienable privileges of members of the House of Commons. It is in truth the privilege of their constituents—

That is false. It is true to a certain extent, but it is not complete. We are not here only to represent our constituents. We are here, each one of us, to represent the Canadian people at large. And how does it work? It is very easy to understand. We are passing legislation that applies to every citizen of this country. Therefore a member of parliament does not represent only his constituents. A member of parliament, every one of us, down to the last man on the last row just as much as the Prime Minister and the leader of the opposition, represents the whole Canadian people at large. The report goes on:

The present procedure was devised to reflect the freedom of all the members of the house, but we must realize that in wartime parliament is bound to divest itself of some of its prerogatives in order to strengthen the government's power.

I am against it. I am against it for a very simple reason. It is that the power of the government is entirely different from the power of parliament. The power of the government, according to the British North America Act, is an executive power, and the power of parliament is a legislative power. The power of government is executive, the duty of the privy council being to execute the legislation passed by parliament. Therefore the suggestion in the report is contrary to the spirit of the constitution. I do not see how we can delegate our legislative powers to the government, although the thing is done. I know very well that the courts will support

our one-man legislation passed by controllers of every description on account of the war. Nevertheless it is legally unsound. We cannot so delegate our powers as a parliament. By virtue of the constitution the government has the right to execute the legislative authority. But there is an old principle that is known by everybody. It is an old Latin axiom which is part of the Roman law. It is known not only to lawyers but to every man with the slightest touch of education. It is *delegatus non potest delegare*—a delegate cannot delegate again. But this is what has been done. We have so much external legislation passed at the present time, passed outside of parliament, in every war department, that it is impossible for any single member to read and check it all. There is no student of law to-day in any university who could pass an examination on constitutional or administrative law, taking into account all the orders that have been passed by dollar-a-year men.

There is something in this report that I do not understand at all. It says:

> The principle of majority rule is a constitutional convention upon which all British parliamentary government is built but this must collapse in proportion as the principle of the protection of minorities begins to decay.

There are some philosophical considerations, and then we come to another contradictory statement in the report:

> Your committee, in all its deliberations, has kept in mind the importance of not impairing the rights of minorities.

For otherwise, the principle of the protection of minorities "begins to decay", to use the words of the report. It goes on:

> Two fundamental principles govern the procedure of the house. They are, that the government shall, so long as it can maintain a majority, be able to secure such legal powers as it considers necessary for administration—

That again is wrong, for the reasons I have already mentioned. My contention is that we cannot transfer any legal powers to the government. It goes on:

> —and that minorities, however small, shall be able to criticize that administration. Standing orders must protect them, and it is all the more important that they be founded on right and justice—

Why?

> —because they are merely resolutions of the house which can be swept away by a majority vote.

Is it not absurd, Mr. Chairman? The standing orders must be founded on right and justice, it says, because they are merely resolutions of the house which can be swept away by a majority vote. That is why they are founded on right and justice. Again, the report says:

> Your committee is of the firm opinion that these rights cannot be alienated even if the house, in maintaining them, may protract sessions and lay itself open to severe criticism.

They are ready to accept criticism now.

Fourteen recommendations are made by the committee. The first one is that one day a week be devoted to supply. Most of our time here, when we are not busy passing tax legislation, is devoted to a discussion of the estimates of the war departments. We have had twenty-six sitting days since the beginning of the session. The address was voted on the eleventh day, and from then on the house has considered only war estimates.

The second recommendation has to do with the suggestion of the allotment of a certain number of days for debates, with a view to saving time. The report says:

> Our recommendation is that, when there is reason to believe that debate will be protracted, parties and groups recognized in the house shall confer and make arrangements either for allotting days or laying any plan for saving time whilst protecting freedom of speech for every representative of the people who sits in this house.

It is doubtful how that would work. Theoretically the right of speech is the right of every hon. member, but a large number of members never exercise that right, and never will even with a change in the rules.

The third point mentioned by the committee was not a recommendation but an observation that war business has priority, and therefore government business has priority over private members' bills. Well, nobody will quarrel with that.

There is mention of the standing orders, and that there are 95 in the English house to-day. Once a member of the New Zealand parliament remarked to me, "What is the use of bothering about the rules of the house? There are none." In fact, parliamentary practice is the common law of parliament; and parliamentary practice, which is based on the rulings of the Speakers, being a composite picture of all their rulings, is the best commentary on the standing orders.

We now come to the matter of compulsory voting. Why should we be forced to vote? Sometimes a member will not agree with either of two contradictory propositions. For a long time it has been the practice to allow members the freedom of voting or not voting when Mr. Speaker was in the house. I remember that on one occasion, when some hon. members refrained from voting, they had to leave the chamber when the matter was dis-

cussed afterwards, but they were told that they were right, that nothing could force them to vote. I am against compulsion. If an hon. member is present and is dissatisfied with any proposal emanating from the government or from any private member, I do not see why he should be told to go out of the chamber, to go behind the curtain, to hide himself, instead of exercising his right to remain here and not to vote.

Then as to the appeal from Mr. Speaker's ruling, it is now proposed that the house shall divide only if division is demanded by twenty members. This is in contradiction of the proposal for compulsory voting. There is the further proposal that there shall be no appeal from Mr. Speaker's ruling. My object is not at all to cast any reflection on the wisdom of Mr. Speaker, but it is of the utmost importance to have the votes recorded in this house. Sometimes members speak in one way in the house and speak differently before their constituents. It is a very good thing that they should be on record as to what they think is the best policy to follow. It should be an easy procedure to appeal from Mr. Speaker's ruling—not to cast any aspersion on his wisdom, which I recognize and to which I pay tribute, but just to show where hon. members stand on matters of public interest.

Then there is the proposed amendment of standing order 37, relating to the number of times a member may speak in committee. As all hon. members enjoy the same rights, I do not see why any difference should be made between the right of any one and any other. In all fairness, what is good for one hon. member, even though he be a cabinet minister, should be good for any other hon. member. Why should there be any exception to the rule governing the time for speeches? I will go further. If the length of a speech were curtailed to ten minutes to each member, I should have no objection, provided that cabinet ministers and private members were treated alike. I do not see why there should be any objection to that. Moreover, I recognize that when we go into committee it is largely to ask questions of the minister in charge of the department concerned. It is said that there will be no restriction on the right of any hon. member to ask questions. But then we should come to an understanding that, when a member has a series of questions to ask a minister, nobody shall intervene to change the course of the interrogator; the member should be able during five, ten or twenty minutes to go on asking questions. But it is not so long ago—this was not under the present chairman, but one of his predecessors—that I was told from the Chair that when we were in committee we were there to make speeches, not to ask questions. I suffered very much at the time, and I got some experience which it is hard to forget.

Then there is something in the report about "tedious repetition". Well, this is governed by the law of relativity; it is dependent upon who is in the chair. I admire your patience, sir; I admire that of Mr. Speaker; but there have been sometimes in the chair gentlemen who were greedy for plums and who were ready to find everything tedious which was keeping the plum away. I respect very highly, sir, your wisdom and that of Mr. Speaker. But what happened in the past may happen in the future, and if we do not suffer from it now, other hon. members may suffer from it in the future, and it is our duty to protect them as best we can.

Then there is the matter of an amendment to a motion. I have just noted the fifth and the seventh recommendations—no appeal from Mr. Speaker's decision, but on the other hand, compulsory voting. How do they work together? It is most contradictory; it is illogical. On the one hand the report recommends compulsory voting, and afterwards it says that it is a bad thing because we shall not vote to appeal from Mr. Speaker's ruling. How many people composed that report without talking to each other before passing it over? It cannot work. If one thing is good, the other is bad. If compulsory voting is accepted there should also be an easy appeal from Mr. Speaker's ruling.

Then there is a reference to the fact that South Africa has abolished the debate on the address in reply to the speech from the throne. That is their business. Here an opportunity is given to members of all parties to express their views at the beginning of the session, to lay before the house the complaints of their constituents, and to say whether their constituents are satisfied or dissatisfied. That is their business and it is a very good thing because it gives the government a bird's-eye view of the Canadian people.

The question is not whether a member shall be able to make a speech that can be printed at the printing bureau and sent to his constituents as a masterpiece that will be translated two thousand years hence. That is not the question. The point is that a member comes here and informs the government and his colleagues of what has been going on, to his knowledge, since the last time parliament was assembled.

There is a proposed amendment, with regard to resolutions or votes in the house,

that the procedure shall be simplified. When we have resolutions for the expenditure of money amounting to billions of dollars they are worthy of consideration, and it is precisely those men who complain about us in the yellow press, who complain about members who do their duty in this house, who complain afterwards about taxes. Well, we discuss the cause of taxation and it seems to me that in debate the cause deserves as much consideration as the effect.

There is a recommendation concerning divorce bills. I object to the discussion of divorce bills in this house and also very strongly to their publication in the statute books, and the sooner parliament gets rid of divorce legislation the better.

Before closing my remarks I should like to quote from the report of 1925 on the rules of the house. The second paragraph of the preliminary note reads:

> Your committee has adhered to the principle that the greatest freedom be allowed the house in both its debates and proceedings. Factors tending to restrict liberty have been eliminated. The tendency has been to restrict the number of rules and reduce them to a minimum, with the object that only absolutely necessary rules be enforced, so that the house will be more particularly guided by the general principles followed in British legislative assemblies and familiar to parliamentarians in Great Britain and the self-governing dominions.

That is a very fine statement of what should be the application of the standing orders in this house. There should be no atmosphere in this house. Of course, it is impossible to prevent it by standing orders; but how many times has not cowardice been imputed to members just because they were doing their duty in the House of Commons? It will be recalled that many times members of the government have risen in protest when complaints have been made against civil servants who were usurping the rights of parliament, who were more powerful than the Prime Minister, who had a salary that was twice that of the Prime Minister, men who were considered indispensable and untouchable, not in the Hindu sense of the word, but in the sense that it is impossible to criticize them, that they are high above criticism. I did criticize them, however, when the former government was in power, and I deny anyone the right to prevent me from doing so at any time.

Let me say this to the government, as a Liberal member of old standing who is true to the principles that he has preached since he went into politics years ago, which he preached at a meeting at which Sir Wilfrid Laurier was present and also in numerous other campaigns, on the side of the Prime Minister and on the side of the late Mr. Lapointe and other members of the Liberal party: I believe in liberty, and I believe in liberty for all.

The CHAIRMAN: The hon. gentleman has spoken for forty minutes.

Mr. MACKENZIE KING: The select committee whose report we are considering at the moment was appointed to assist His Honour the Speaker in revising the standing orders with a view to simplifying, accelerating, and expediting the business of the house. I think the time has come in this debate when this committee of the house might well consider how it can accelerate and expedite the final disposition of the report.

Mr. HANSON (York-Sunbury): There should be free discussion first.

Mr. MACKENZIE KING: As I said at the outset, it is of course wholly for the committee to decide what it wishes to do. So far as the government is concerned there is no desire in any way to restrict or to direct the discussion, but I imagine hon. members generally have been asking themselves just how the debate should be conducted from now on, and what procedure should be finally adopted in reaching a conclusion.

If we look at the report, it appears to be divided into two main parts. The first is in the nature of general observations on matters pertaining to procedure, and I should think also some of the considerations that have governed the members of the committee in reaching the conclusions they have with respect to the proposed amendments. The second, the concluding part of the report, which begins at page 149 of *Votes and Proceedings* of March 3, 1944, sets out specific amendments to the standing orders which the committee recommends should be adopted.

We might well assume, I think, that so far as the first half of the report is concerned, if I may so designate it, hon. members should not be committed too literally to all the statements which it sets forth, or to all its observations. They are general in nature, and in voting for or against the adoption of the report, if we are expected so to do, we might well, I think, be allowed to have certain mental reservations with regard to the adoption of all that appears there. I mention that because I see, for example, at page 147:

> The suggestion that estimates should be referred to standing or select committees has been given earnest consideration and carefully reviewed. It strikes at the root of ministerial responsibility . . .

I cannot accept that as a correct statement. For years estimates have been referred to

special committees at Westminster, and the parliament at Westminster is as careful in observing ministerial responsibility as any parliament in the world. Something may have been in the minds of the hon. members responsible for that statement which is not apparent on the face of it, but if I were to support the report as a whole, as I intend to do, I should not like it to be asserted at some future time that this House of Commons had virtually determined that the reference of estimates to select committees would be striking at the root of ministerial responsibility and therefore should not be permitted. I had hoped very much that the committee might have found it possible to endorse the reference to a committee not of all estimates but at least of certain of them, while, of course, safeguarding the right of every hon. member to criticize the estimates in whole or in part when they came back to the house for discussion. That has not been done, however, and I would not like to have it for a moment assumed that it was not done because the committee was seeking to preserve some ministerial responsibility, which would have been lost if any such recommendation had been made.

The committee has laboured, I believe, under two handicaps, if I may so describe them. One has already been mentioned. It is, that the committee has been considering the revision of the rules in a time of war. I recall saying to the house last session that I doubted the wisdom of attempting any extended revision of the rules in time of war, when conditions were abnormal and the house had to give to the government certain rights which would not be expected at other times. For that reason it did not seem to me, at that time, advisable to appoint a committee. However, the desire for such a committee continued to be expressed and after giving the matter further consideration it was decided this year to have a committee appointed. Such limitations as we find in its report are due, in part at least, I believe, to the circumstance that the committee has been conscious of the fact that in revising the rules in time of war it should proceed very cautiously in order not to infringe in any way upon rights which hon. members certainly would wish preserved at all times as fully as possible. The other handicap, if I may so style it, has been the known wish that the committee should make its report at an early stage of the session; in other words, just as soon as possible. My hon. friend the leader of the opposition spoke of that when the committee was appointed; he said he hoped the committee would bring down its report very soon, and certainly not at the end of the session. I believe the committee should be thanked for having kept in mind the desire of the house to have it bring down its report as early as possible, and should be congratulated upon having brought its report before us within the space of a single month. If I may, I should like to take advantage of this moment to express to the members of the committee and to His Honour the Speaker, I may say I think on behalf of all hon. members of the house, the thanks of hon. members for the care and consideration they have shown in dealing with the revision of the rules, and in presenting their suggested amendments at so early a stage of the session.

The fact that hon. members did not make representations to the committee, though invited to do so, which has been mentioned already, is I think explained by what I have just mentioned. The minds of hon. members are concerned with a consideration of the great issues which are before the country and the world at the present time. The matter of the amendment of the rules of the House of Commons does not assume the importance that it would at some other time. However, the committee has submitted recommendations, some ten in all. Personally I am prepared to support the committee's suggested amendments. As one who has been in parliament for a considerable time, and has carefully observed procedure in this house, I might say that I believe the older members, if I may so express it—not necessarily in years but in time of service—will see the wisdom of the amendments that have been suggested by the committee in the reserved and cautious manner in which they are phrased. I would suggest that at this stage the committee might take up the amendments one by one; have the Chairman call them and let us vote upon them. Then, after they have been accepted or rejected, in whole or in part the report as amended, if it is amended, or as a whole if the amendments should all carry, might if deemed necessary be voted upon.

That is all I care to say at the moment. I believe we should adopt some definite procedure in the further consideration of the report, and I offer these suggestions, not as coming from the government but as coming from one member of the house, in regard to the manner in which the contents of the report may be dealt with more rapidly than might otherwise be the case, and that we may take up without the delay that might otherwise occur, other matters that are of great concern.

Mr. NEILL: I am sorry I was called outside and was not able to listen to the debate on this report, with the exception of the remarks of the first two speakers and a portion of those of the Prime Minister. I shall have to do the best I can with my own preconceived ideas, and later on see in *Hansard* what were the views of other hon. members.

This report is presented to us in rather unusual form. Generally a committee report begins by setting out the members of the committee and the reference. That is not done in this case; this report plunges into the middle of things without making any previous references at all. It does not even say what was the subject of the reference to it. We are not told how many meetings were held or what witnesses were called; we are left in total ignorance in that regard. The Prime Minister said that ten amendments were proposed, but there are also some five or six other recommendations of a negative nature that is, recommending that something be not done, so that we may take it that in all there were some fifteen or twenty recommendations. The Prime Minister suggested that we should take up these proposed amendments one by one and adopt or amend or reject them, but I doubt that we can do this; the very wording of the report forbids it. The committee does not say, "We recommend one or two or three amendments." The amendments are not put in separate paragraphs; we have a series of vague generalities, with an occasional definite recommendation, followed by an expression of the general views of the committee on the subject. We would be in a queer position indeed if the Chairman wanted to refer to a particular recommendation and I said, "Well, I want to move an amendment to that recommendation, which you will find about the middle of the third page, starting in the fourth paragraph and ending in the fifth," but really not beginning or ending anywhere. I do not think the report is in a form that permits us definitely to discuss it. We cannot tell whether there are ten or twenty recommendations; the report is in a sort of conversational style, so to speak.

Mr. MACKENZIE KING: May I ask if my hon. friend has noticed the first line on page 149, which reads, "The following amendments to the standing orders are recommended," and then they are set forth one by one. It is that portion of the report which I suggested we might consider.

Mr. NEILL: Yes, so far as the page and paragraph the Prime Minister mentions, that is correct. But there is a lot more which is not important at all, and you have to dig for them in one paragraph or two paragraphs of verbiage which do not contain any recommendations of themselves. You do not know where you are.

It seems to me that we must accept or reject the report in whole or in part. And that means giving great power to whoever—and it is not indicated who—shall have power to make these revisions.

Mr. MACKENZIE KING: May I interrupt the hon. member for a moment. I am sorry to interrupt him, but I noticed that he came in while I was speaking. Before he came in I had touched on the very matter he has now mentioned. I had said that the first part of the report was very general, and that I thought we should not, in voting on the report, be regarded as committing ourselves too literally to anything which appeared in that part. I stated that in my opinion it was mostly in the nature of observations and a discussion of certain considerations. But I pointed out that the amendments were specific, and suggested if we were going to continue considering the report, and make headway with it, we could perhaps make more rapid headway from now on by taking up the amendments.

Mr. NEILL: I am gratified to find, from what the Prime Minister has said, that my views are so entirely agreed with by him. I agree that the first part of the report is a series of generalities, and to some extent that criticism may be made of the latter part as well. But I took the report as a whole.

We are now going to give to someone the power which will amend these rules, and they will be there for a very long time—because it takes many years before they are revised again. Of late years there has grown up in the southeast corner of the vineyard a little group of political Adullamites who own allegiance to no one. We might call them groups, or political groups, groups having quite a few different classifications. There are independents, semi-independents, and so on, including myself. I see my long-enjoyed title of being the only independent in the House of Commons has been wrested from me, and I find I have come to the day when there are many other and different sorts of independents. But I would like to tell them that their rights as individuals are at stake to-day, and if they do not fight for their rights to-day they will be in a sorry state by and by.

Not one of those hon. gentlemen was on this committee. Yet if we listen to them, and take their word for it, they represent a great many people. But the committee was composed of people who were thoroughly safe, men who could be depended upon to do the right thing, and to do nothing outrageous. You hon.

gentlemen in the lefthand corner are left entirely out of the picture—and so was I. And we shall all suffer alike.

While I am on this subject may I suggest to hon. members opposite that they are in power to-day with a huge majority, and they can pass these amendments quite easily. They will get all the advantages which will accrue to the government of the day. But the day will come when they will not be over there. They will be over here, and they will be faced with what they are doing this afternoon. They will pay for it, when they find themselves on this side of the house. Remember that things do turn round, and if you play fast and loose with the privileges of individuals to-day you are likely to endanger your own safety as a party later on.

Let me quote one sentence out of the beginning of this report, which the Prime Minister damns with faint praise:

> Your committee, in all its deliberations, has kept in mind the importance of not impairing the rights of minorities.

It has, has it? Well, if they have kept that in their minds, it is still in their minds, for there is very little evidence of it in this report.

However, I must hurry on to the next point dealt with. I agree with that portion of the report which says that the house should not send the estimates to a special committee. But I see the remedy they suggest is that we should limit speeches to twenty minutes in committee, and only one speech.

An hon. MEMBER: On each item.

Mr. NEILL: Yes, once on any particular item. They also recommend that when the yearly estimates are brought down, one day a week should be set aside for consideration of supply. I shall deal with that suggestion. That sounds pretty good.. But if hon. members will remember, after the war is over we will go back to ordinary routine, which includes only three hours on Wednesday. It might so happen that if the government did not wish to have the estimates discussed at any great length, they could happen to pick Wednesday for that day on which there would be full discussion.

Then the report says, and I call the attention of the committee to what they say:

> We therefore recommend that, when the yearly estimates have been brought down, one day a week be set aside for consideration of supply.

But what guarantee is there that they will be brought down before the last week, or before the closing of the session? Then we are still in the same position.

What about the twenty-minute rule? Well, I am up in my room, or some other hon. member may be up in his room—we cannot always be here—and the bell rings. I hurry down to the chamber. I do not know what it is all about. I turn to my right to a man who happens to be a good Liberal, of his sort, and I say to him, "What is going on?" He says, "This is a vote just coming on." "Which way should I vote?" "Why, vote Liberal, and you will be quite all right."

But perhaps I am doubtful—although he is an important member. Because of my doubt I turn to my left, to a man who is a bigoted Tory—the hon. and highly respected member for Haldimand (Mr. Senn)—and I say to him, "A vote is just going to be taken, how shall I vote?" "Good heavens, Neill, there is only one thing to do; vote with us." And I have to vote. If I do not vote I am placed in a position of the greatest disgrace which can befall a member of parliament. I am named—and that means a terrific disgrace—one which I have never been able to fathom, exactly. But it is a bad thing indeed. I do not know anything worse in parliamentary procedure. I have to vote either yes or no.

Where is the necessity for this? Who asked for this? Away back in the local house of British Columbia many years ago I believe there was a ruling that one might please himself, but if he did not vote his name would be writen down as having voted against the proposal, with the idea that one must be a mossback, and did not want any change. That was the idea.

When I first came to this house a certain rule was in force. I have seen it in operation against our lady member of that time, Miss Macphail. She was told she would have to vote one way or the other. She did vote, with her accustomed grace, but not with very great willingness. That procedure went on for a while. Then some man began digging around the rules, and the British practice was looked up. That is always held out as an example to us. As I say, the procedure there was looked up and it was found that their procedure was the other way round. In the days of the then Speaker, the Hon. Mr. Lemieux, that position was allowed. And it is still allowed, namely, that one does not have to vote unless he likes.

Not very long ago I, myself, was glad to take advantage of it. I had heard the evidence on both sides, and when the vote came I sat in my seat and did not vote either yes or no, because I did not believe either side was putting forward a satisfactory case. I have forgotten the details now, but I know that at the time I felt I was thoroughly justified

in exercising my privilege of not expressing myself on a matter, the arguments supporting neither sides of which appealed to me.

There has been no trouble all these years with that ruling in force. Why dig it up now? Why compel us now, when we are getting new ideas in the house, new groups which have to sit back where they cannot hear what is going on. Yet you are going to compel them to vote yes or no. We all know what the acoustic qualities of this chamber are. There was, in my opinion, no need to introduce a suggestion of this kind.

I was going to say something about the twenty-minute limit on speeches. Well, that sounds pretty easy, too—twenty minutes on one subject. That sounds as though it would be sufficient to talk on one subject, because in committee one can say a great deal in that time on one subject only. But let us see how it works: A man has some grievance about something or another, and he rises in his place and airs his views before the minister. He holds the minister up to ridicule, obloquy or reproach, or perhaps he may eulogize the minister. Anyway he shoots off whatever he has to say. The minister, knowing the situation, just sits tight. He does not do anything —and that fellow's chance is gone, because he cannot speak again. He cannot rise again, because he has already spoken. The minister, or the man of whom he is complaining, has only to sit tight, and this member has no chance to say any more.

I recall an occasion not long ago which, to my mind, is a good illustration of the need to keep the rule we now have. I can recall one occasion when an hon. member had spoken upon some subject to which he had patently given considerable thought. It was a matter requiring an extended illustration, so to speak, but when he reached the end of his forty minutes he was told that he must sit down. He did so reluctantly, and then the Prime Minister with his usual gracious manner rose in his place and said it was a pity to choke off this man and he hoped the few words he was saying would serve as a break in order that the hon. gentleman would be allowed to go on for another forty minutes. There are occasions when it is advisable to allow a member to take more than forty minutes especially when we know that all the minister has to do, if he so desires, is to sit tight and he need not give any explanation. If at all possible I would vote against that particular amendment, although I do not say that I will vote against them all because I realize that some are quite necessary.

The recommendation in connection with the length of debates reads as follows:

> Our recommendation is that, when there is reason to believe that debate will be protracted, parties and groups recognized in the house—

Just put that in your pipe—"recognized".

> —shall confer and make arrangements either for allotting days or laying any plan for saving time whilst protecting freedom of speech for every representative of the people who sits in this house.

Where are the groups in the far corner going to get representation when this conferring takes place? They are not recognized as groups. They are out of the picture, and so am I. We used to have some rights. I certainly will vote against this proposal.

The next recommendation has to do with private members' days. With the exception of the newer members, we all remember when we used to have certain days at the beginning of the session when we could debate any resolution on any subject. Those days have been taken away during the war because of the necessity, put forward by the government, of getting on with the war business. I agreed to that. I would still vote, although very reluctantly, for that because I know how it would go. The committee decided that they had better not monkey with that, so to speak; they say that perhaps this had better wait until normal conditions return before private members' places in the house can be fully considered.

When that principle was introduced I knew that we would pay for it, and we are now going to pay for it. The question of whether this privilege is to be restored will be discussed later on. We accepted the statement of the government in good faith that when this right was taken away it would be returned immediately the war had ceased to be. Now it is proposed to wait until normal times to reconsider these rights. They are just going to consider whether we are to get our rights back when it was solemnly pledged at the time they were taken away that they would be returned immediately the war was over. This is just an illustration of giving a man an inch and having him take a good deal more.

At the present time five members can bring about a vote to appeal from the Speaker's ruling, but it is now suggested that this number be raised to twenty members. I understood that this committee was devoting itself to the liberty of the subject and the retention of our private rights. Perhaps five is too small a number, but surely the smaller groups have a right to express themselves in

the house by means of a vote. Although the vote may be against them they have shown to the people the feeling that exists in the house and they have been able to discover how many members are willing to support them. I think these votes should be permitted provided they are not carried to absurd lengths. I certainly would object to making it twenty members because that would be reducing the liberty of the minorities.

I cannot understand how the highly respected members who made up this committee stood for the passing of the next amendment. They and those who come after them will regret it for many years to come. Under this new rule the right would be given to the Speaker to decide whether or not a matter was of urgent public importance, and that decision would not be appealable. If the Speaker is to be allowed to make that decision without the right of appeal, what is to become of the very basis of democracy about which we have talked so much? The Speaker may or may not be informed about the subject. Many things come up about which the Speaker cannot be fully informed, and he might be giving a perfectly fair and honest decision when he ruled that the matter was not of urgent public importance. Hon. members who come from the section of the country affected by the condition complained about are the ones who know. There may be some question of seals in British Columbia which eastern men would know nothing about. We all have our particular problems; we know how urgent they are.

This right is to be taken away and the Speaker is to be given the right to say, "I do not consider the matter as being of urgent public importance." I have the greatest admiration for our Speaker, but there have been occasions—some of the older members will remember them—when the government was in a desperate position, when every vote counted. I heard of one case where a train was chartered at a cost of about $1,200 in order to bring in only three votes. Human nature is human nature, and when the fate of a government is hanging it is quite possible that the Speaker might be tempted to lean a little and to say, "I do not think this is a matter of public urgency," and thus save the government. This right of appeal to the house has been our practice ever since confederation and I would rather vote against the whole thing if this amendment is to be included.

It may be said that I am exaggerating because this amendment does not abolish the right of a member to move the adjournment of the house in order to discuss a matter of urgent public importance. But it must be remembered that such a motion always comes from the left of the Speaker. It is an effort to direct attention to some grievance to which the government may be indifferent. It is always a member on the left of the Speaker who moves the adjournment of the house, and after this there will never be a chance to move the adjournment because an indifferent Speaker will always say, "I rule that the matter is not of sufficient importance."

There is another paragraph in the report, which says:

> Your committee does not recommend radical changes in the rules of the house.

I think they have recommended some very radical changes, and I entirely endorse the idea expressed by the Prime Minister that we should vote on the recommendations one by one, but we cannot do that in the form in which they are now. It would be like playing a game with peas on the table. You could not tell which pea was which. I suggest that the debate be adjourned—I do not move it—so that the recommendations may be put in concrete shape and numbered, and then let us pass on them one by one.

There is one thing more I should like to say. This committee, which was composed of some of the brainiest lawyers and some of the most experienced parliamentarians of the house, sat I do not know how long, but they missed the very crux of the thing on which they should have made recommendations, a thing which has been a sore spot in our political life ever since we have had a history, namely, the question of the government's being defeated and having to resign because of an adverse vote in the house. I do not know whether it was in France, but I know that in New Zealand and in Australia, and I have seen it in the house at Victoria, where the government had a very small majority and they said: We are not going to abide by this foolish custom of resigning if the government is defeated on some trifling motion such as, should we adjourn at five or six o'clock; we are not going to throw the country into a turmoil because the government happens to be defeated on a vote because one member happened to go out to get his hair cut; we will not pay any attention to that and resign because we were defeated unless the resolution on which we were defeated contains the words, "and this house has no confidence in the government."

For many years it was the invariable custom for a government to carry on after a defeat until the Prime Minister had met the house—it might be a week or a month later—the leader of the opposition would then move that the

house had no confidence in the government, and until that was done the government never felt it necessary to resign. But as it is now, if the government happens to have only a small majority in the house, which is a good thing for the country, although perhaps not so good for the politicians, if the government gets defeated on some trifling matter—it might be no more important than whether we should adjourn at five or six o'clock to-morrow night—if the government is defeated because of some member getting his hair cut or breaking his pair, it is heralded all over the country, "Government suffers defeat in the house." It might be over the most trifling thing. It might be over some clause in a bill, whether we should put in "six weeks" instead of "two months", or a trifle of that kind. Surely we older members know what a curse that has been to good government in Canada. I put it to the conscience of everybody here if we have not many a time had to vote for something we did not wish to vote for because we felt that it would be worse to see the government defeated. But never a man spoke in the committee on this important question. That would have been a practical thing to talk about. I am sorry that the committee did not recommend that the government should not be defeated unless the words of the resolution contained the precise expression, "This house has no confidence in the government." Would that not be a good thing for Canada? Of course it would, and we all know it in our hearts, although we may not have the courage to say so. That was the most important thing of all which the committee failed to discuss. I think we should adjourn this debate, get the amendments put in definite and concrete form, and then to-morrow vote upon them separately, instead of having to go hog-wild and swallow a whole lot of stuff we do not want at all. The Prime Minister has hinted at that, and my suggestion is, to make it more practicable, that we have the recommendations printed in concrete form and numbered so that we can vote on each one separately.

Mr. CHURCH: The work which has been done by the special committee on the rules of the house will do a great deal to restore confidence in and the prestige of parliament throughout the country.

I wish to compliment the chairman of the committee, His Honour the Speaker, who in the discharge of his duties here since the war started has been most fair to all parties in the house. I should also like to compliment the Clerk of the House upon the splendid work he has done for parliamentary institutions since he has held his present office. I also wish to compliment the member for York-Sunbury, who acted for the opposition on the committee.

After all is said and done, Mr. Chairman, our parliamentary institution and its efficiency justify the high praise which the Prime Minister of Great Britain, Mr. Churchill, bestowed upon parliamentary institutions in the mother country and throughout the empire. The position of a private member has not changed very much since Edmund Burke's days. The private member is in effect the connecting link between the government of the day and the electorate, and when he fails to function, all parliamentary government is at an end. The private member has been referred to in the committee's report, which I am glad to see follows the splendid endorsation given by Mr. Churchill as to the necessity for a declaration of rights, much along the line of Edmund Burke's famous statement of the functions of a member.

I am sorry that the committee recommends that supplementary questions be limited to three. We have now, when you take in all the parties, below the gangway, six or seven or eight leaders in this house. Yet the committee recommends that only three supplementary questions can be asked. That does not give much opportunity to criticize and cross-examine and find out the truth about war matters. I would like to have seen more latitude allowed in supplementary questions. If hon. members will examine the British *Hansard* they will find several pages of questions asked directly bearing on the war. Ninety-nine per cent of the questions asked there are about the war and its conduct. This is what helped to improve the conduct of the war in January, 1942. In the debate on the address there was a lengthy criticism lasting for six or seven days on the conduct of the war on the land, on sea and in the air, with the result that reforms were introduced and adopted by the government.

After all, criticism is a tonic which stirs a government to action. Criticism that is founded on facts, and not on political bias, stimulates the efficient conduct of public business. I hope the committee's recommendation will prove to be a start in the right direction. It was private members in 1927, 1929 and 1930 who prevented three important bills from going through as they were presented. One was a bill to give away the water powers on Georgian bay and in the Ottawa valley to a particular interest, and it was due on account of the united opposition and criticism of the official opposition that that project was defeated. Otherwise all the water powers in

the Georgian bay and along the Ottawa valley would have been given away at that time. Secondly, regarding the extension of an insurance company bill, which the privy council decided that parliament had not the power to enact, if the recommendations of the opposition on common stock investments had been adopted, large sums of money would have been saved to policyholders in the companies in respect of investments lost in common stocks extraterritorially. The same applies to the Bell Telephone company, when a $75,000,000 increase of stock, mostly of water, was put in the bill, most of it affecting Ontario; criticism by private members at that time did a great deal to preserve public rights. Each of these very important bills gravely affected the taxpayers.

When all is said and done, this is the only forum in which the man in the street can get his grievances remedied. We should assert the rights and privileges of parliament along the lines I have indicated. The prestige of parliament during the present war has been materially diminished because of the way in which parliament has surrendered its rights, powers and privileges to control bodies and the like, with the result that parliament has to them abrogated all its rights and privileges.

In my opinion the resolution which the committee considered did not go far enough. In the session of 1926-27 I wanted to have a committee appointed to deal with constitutional, parliamentary, cabinet and law reforms. The subject was debated for several days.

Take constitutional reforms. Why should there be all this difference of opinion between the federal authority and the provinces? Surely there must be some way of getting together on a number of matters which are most important to our domestic economy. The duty of the opposition is as far as possible to support in a war the government of the day, and the government has received pretty good support from the opposition, including private members, since the war started. I wish to see the business of the house conducted with dispatch and efficiency and shortened as much as is reasonably possible.

With regard to parliamentary reform, how is it that we have in another part of this building, in another place, one branch of parliament which is away pretty nearly the whole session? Surely there is some way of achieving a reform such as was accomplished fifteen years ago in England between the two wars, whereby the House of Lords was reformed and the efficiency of the British parliament increased. Something should be done in this session along that line. If we are to have a second chamber it should carry out its functions and help the House of Commons and the government in transacting the country's business.

The last two matters, with which I will not deal at this time, are cabinet reform and law reform.

I wish to compliment the committee upon the good work it has been doing, and I hope its task on the other matters I mentioned is not finished. There is much more which can be done in the directions to which I have referred, and I hope it will be undertaken in the recess of parliament. The committee has acted promptly and fulfilled the functions assigned to it, but many other matters might have been considered. I believe the report will commend itself to the wisdom and judgment of the country, and do something to restore the prestige of parliament, which has been waning for reasons which I have already mentioned.

Mr. GLEN: The debate has taken much longer than I anticipated it would, and it is necessary that something be done with regard to the report. The recommendations are made in a form which enables them to be put to the committee and discussed separately; but it will not be possible to do so this evening. I therefore suggest that the committee report progress and ask leave to sit again on another day, when, if the committee so desires, we may deal with the amendments which are printed on pages 149 to 152 of *Votes and Proceedings*.

Progress reported.

GRANBY MINING CORPORATION

INQUIRY AS TO COMPLETENESS OF RETURN TABLED ON MARCH 6

On the orders of the day:

Mr. M. J. COLDWELL (Rosetown-Biggar): Before the orders of the day are called, I should like to direct a question to the Secretary of State. Yesterday a return was tabled to a motion for:

> A copy of all orders in council, correspondence and other documents relating to contracts made between the Granby Mining Corporation, of Princeton, British Columbia, and Japanese interests, together with a copy of such contracts submitted to the government from time to time for its consideration or approval.

The return contains some correspondence, beginning October 22, 1940, with the Japanese minister to Canada and others, and I find, in the first letter of the Japanese minister, this statement:

> The import of copper into Japan has been conducted by a Japanese firm under a three-year contract signed in July, 1937, with the Granby Consolidated Mining and Smelting Com-

pany of British Columbia for its entire output of about 5,000 tons monthly, playing no small part in the economic relations between Japan and the dominion. In the spring of this year this contract was renewed with the approval of the Canadian government.

I can find in this return no document relating to the contract or giving the approval of our government.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I cannot at the moment recall the correspondence, but I believe that somewhere there is a communication which states that that assertion is incorrect, that there was no approval by the government of any contract. If my hon. friend reads farther on in the correspondence—

Mr. COLDWELL: I have read it through.

Mr. MACKENZIE KING: I am speaking from memory, but my impression is that the government had nothing at all to do with approving the contract, which was a private transaction. I believe that is stated somewhere in the same correspondence. Whether it has been brought down or not I cannot say.

Mr. COLDWELL: I raised it in the house in 1940 and my understanding then was that it was stated the government had given its approval.

Mr. MACKENZIE KING: I do not think so.

Mr. COLDWELL: I was just looking for that, I may say.

Mr. GORDON GRAYDON (Leader of the Opposition): I am not aware of the circumstances surrounding the basis of the question, but I take it from what the hon. member for Rosetown-Biggar says, that there was a contract between a Canadian corporation and the government of Japan. Surely our government would not have anything to do with approving a contract of that kind in a war-time period. I was wondering what the circumstances were.

Mr. COLDWELL: Not between the Canadian government and Japan but between a Canadian company and a Japanese concern. I understand they had to get the approval of our government, certainly after September, 1939.

Mr. MACKENZIE KING: My hon. friend will recall that Japan was not an enemy of ours until two years after the European war was started. As far as Japan was concerned, it was neutral until the war had been on for more than two years. I shall be happy to call the attention of the officials of the Department of External Affairs to what my hon. friend has said and see that a clear statement it made to the house on the point.

Mr. GRAYDON: The Prime Minister might also give consideration to the question of government policy covering a period which perhaps is a long way off now, but which at the same time has to do with this whole question of selling materials to neutrals of certain types. It is one that has caused no end of concern to the Canadian people. It is one that ought to receive some consideration.

Mr. MACKENZIE KING: Very careful consideration was given to that particular matter, consideration which involved not merely the government of Canada but other governments as well, and our policy was based on a consideration of general policy after consultation with the governments immediately affected. That is all I can say at the moment.

Mr. GRAYDON: We have to be careful as a nation to make sure that we are not supplying materials of war in an interim period like that to those who may be our enemies in the future. I realize that it is a difficult situation but it should receive consideration.

Mr. S. H. KNOWLES (Winnipeg North Centre): May I ask the Prime Minister, at the same time that he is looking into this situation, if he will have the Department of External Affairs or the appropriate department look into the stories that have been given currency south of the line to the effect that we are shipping war materials to Spain at the present time.

Mr. MACKENZIE KING: Stories to what effect? I did not hear.

Mr. KNOWLES: Stories to the effect that Canada is shipping war materials to Spain at the present time. I am merely asking the Prime Minister to have the matter looked into.

Mr. COLDWELL: It has been given over the radio in the United States.

Mr. MACKENZIE KING: I shall have the matter looked into, but it is a little difficult for the government to take up the many rumours that are in circulation at a time of war. Any concrete question—and I may take what my hon. friend has stated as sufficient for that purpose—can be answered; but I should not like it to be assumed that the Department of External Affairs must take account of general stories and rumours.

Mr. KNOWLES: Except that a statement of that kind given such a wide hearing over the radio is very serious.

NORTHWEST FIELD FORCE (1885)

QUESTIONS AS TO PENSIONS OR OTHER ALLOWANCES

On the orders of the day:

Mr. T. L. CHURCH (Broadview): I should like to ask the Minister of Pensions and National Health (Mr. Mackenzie) a question. I have received a great many communications with reference to some form of relief for the northwest field force. I suggest that the minister give about half an hour on going into supply some day to a consideration of the question.

Mr. SPEAKER: That question should not be asked on the orders of the day.

ARGENTINE REPUBLIC

QUESTION AS TO RECOGNITION OF NEW GOVERNMENT

On the orders of the day:

Mr. GORDON GRAYDON (Leader of the Opposition): I did not give the Prime Minister notice of the question I am about to ask and it is perhaps unfair to ask it now, but I suggest that the house ought to be acquainted at the earliest possible time with the progress that has been made in the recognition of the new government of the Argentine. The process of change of government, as appears by the press, would indicate that there have been some changes of a rather major kind there, and we ought to know as a parliament what progress has been made so far as the recognition or non-recognition of the present regime is concerned.

Mr. MACKENZIE KING: I will give a statement on Thursday.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

INDUSTRIAL DEVELOPMENT BANK

PROVISION OF ADDITIONAL CREDIT FACILITIES FOR FIXED AND WORKING CAPITAL

The house resumed from Thursday, March 2, consideration of the motion of Mr. Ilsley for the second reading of Bill No. 7, to incorporate the Industrial Development Bank.

Hon. R. B. HANSON (York-Sunbury): Mr. Speaker, I had just concluded a few preliminary remarks on this bill when the debate was adjourned the other day. What I have to say to-night will be, I hope, entirely objective and perhaps constructive. I shall have some criticism of the undertaking to offer, and will endeavour to express the hope that the promoters of the ideas underlying this measure will not be frustrated in their aims and objectives if the policy outlined by this bill is put into effect.

I should like to say, and I do so with a good deal of candour as well as kindness, that I was greatly disappointed at the remarks of the parliamentary assistant to the Minister of Finance (Mr. Abbott) in introducing the bill. This is a new principle in the financial structure of Canada; new to him, new to me, new to the country, and I think the house and the country were entitled to a good deal more information than we were given by the hon. gentleman. In particular I suggest to him that he failed to show affirmatively and with a reasonable degree of effective logic that there is a substantial need for such an institution as the proposed industrial development bank. Of course in the post-war period a great deal will depend upon what is the tax structure of this country; a great deal will depend upon the other measures envisioned in the speech from the throne and incidentally referred to by the hon. gentleman as the programme which the government conceive will meet the problems of unemployment or rather, shall I say, the problems of full employment in the post-war period. This is but one chapter, and I suggest that if we are to have full employment in the post-war period we shall require a very much larger picture than has been painted by the hon. gentleman with respect to this bill. Concurrent with this measure, in the course of the next few days the revised Bank Act will be brought down; and I suggest to the hon. gentleman, to the house and to the country that it would have been the part of wisdom to have these two measures brought down together in order that we might have seen the full picture and the full measure of the government's proposals, if they have any, with respect to the vexed questions of currency and credit and, shall I say—and I mention it with bated breath—what is sometimes termed monetary reform.

So that I say to the hon. gentleman that I was rather disappointed at the meagre and sketchy outline he gave in connection with this measure. He stated that the proposed bank would not compete with the chartered banks. In one respect that is quite true; the bill prohibits this bank from accepting deposits. Its resources will depend upon the subscribed and paid-up capital stock, which will come from the funds of the Bank of Canada;

and if we may judge from the report of that bank, which we have received, and from the statements we read from time to time, the funds that will go to subscribe for the capital stock of this bank will come from the deposits of the chartered banks in the Bank of Canada. Then there is provision for the issue of the bank's own securities, in the ratio of three to one having regard to the paid-up capital and the reserve. The total picture, if there is a great need, is not one of very great vision. I estimate that possibly $100,000,000 in all will be available for all the functions of this bank; and in a country with the national income of eight or nine or more billion dollars a year that is not a very large gap to fill. If it is to be effective, that is but the proverbial drop in the bucket.

What is the need? The need is said to be that of an intermediate credit which is not filled by the chartered banks, by the mortgage companies or by the investment bond houses. I do not know what is in the minds of the managers of the chartered banks or of these other institutions, but I have very grave doubts whether this bank will not infringe upon the functions of these institutions. I would assume that it would be a substantial detriment to the investment banking houses of this country if it is to have any scope in the financial economy of Canada. Of course with respect to both these classes of lenders, the chartered banks and the investment houses, the proof of the pudding will be in the eating, and only time will tell. Therefore I revert to my earlier suggestion, that if this is only a part of a larger scheme we should have the whole scheme before us at one time, so that the house may be enabled to judge as to the sufficiency of the whole scheme to provide full employment in the post-war period.

The preamble to the bill expresses the pious thought that it is desirable to establish this bank to promote the economic welfare of Canada by increasing the effectiveness of monetary action through ensuring the availability of credit to industrial enterprises. What does the hon. gentleman mean by "the effectiveness of monetary action"? That is the first question which naturally arises in my mind, but we are left entirely in the dark. I imagine that our hon. friends in the far corner will have something to say in regard to that problem. Then the preamble continues:

> . . . through ensuring the availability of credit to industrial enterprises which may reasonably be expected to prove successful if a high level of national income and employment is maintained. . . .

I pause here to make this suggestion, that if there is such a high level of national income in this country, no such bank is necessary; private enterprise will take care of the whole position.

Mr. MACKENZIE (Vancouver Centre): It never did before.

Mr. HANSON (York-Sunbury): But we did not have a national income as high as this; we never had it, and I suggest again what I have suggested on more than one occasion in this house, that the national income of this country to-day is a fictitious national income based on government borrowings and government spending for non-essentials. As soon as the war is over, government borrowing and government spending will cease, and the national income is bound to go down to a low level.

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

Mr. HANSON (York-Sunbury): Well, the hon. member says, "No, no." I wonder how much he knows about what is in the womb of the future, any more than the rest of us?

Mr. ROSS (Souris): The government will find it tougher going then.

Mr. MACKENZIE (Vancouver Centre): Thanks for telling us we shall be here.

Mr. HANSON (York-Sunbury): My only fear is they will not be there to take the gaff when it comes. I do not wish to get into any political discussion, but how much better would it have been for us if hon. members opposite had been returned to power in 1930, and they had had to take the gaff of the depression—a depression which they created with policies of their own making, so far as Canada is concerned?

Mr. MACKENZIE (Vancouver Centre): Better for the country, all right.

Mr. HANSON (York-Sunbury): Would it have been better for the country?

Mr. MACKENZIE (Vancouver Centre): It would have been.

Mr. HANSON (York-Sunbury): I do not think so. They would have had the grief we had, and I am sorry they did not have it.

Mr. MACKENZIE (Vancouver Centre): Well, at least the hon. member is frank.

Mr. HANSON (York-Sunbury): I certainly am; I am always honest. The preamble states: "If a high level of national income and employment is maintained". By doing what? It states, "by supplementing the activities of other lenders and by providing capital assistance to industry with particular consideration to the financing problems of small enterprises".

There is one thing in that preamble which brings some aid and comfort to me, namely, the recognition of the principle of private enterprise. I mention that for the benefit of my hon. friends to my immediate left, who are always saying, with a good many members on the other side, that private enterprise has failed. I suggest that nothing of the sort is true, and that the truth lies half way between the two extremes. That is my view of this economic problem. It does recognize the principle of private enterprise, and for that I give thus much thanks.

How does it propose to supplement? It proposes to supplement the efforts, energies and resources of private enterprise by what I term a drop in the bucket. Either this scheme is sound, or it is not sound. If it is sound, then I say this enterprise is not big enough, if it is the proper way to supplement private enterprise.

But I suggest to hon. members and to the country that there is a huge amount of money available in Canada for enterprise and industry. One has only to look at the huge volume of money on deposit in the chartered banks and elsewhere in the dominion to know there is a very large fund available for immediate use in Canada. And they just cannot use it. Why? Because of the war policy of this government. They have throttled private industry. They will defend that on the theory that war necessities are paramount—and there is an element of truth in that. I make this submission in all seriousness to the government and to the financial hierarchy behind them, which is the godfather of this idea—not the government; make no mistake about that. I submit in all seriousness to the godfather of this idea that the time has come, and is long past due, when the economy of this country should be changed so as to secure from private industry the necessary production that we must have in Canada if we are to have employment—full employment.

We have not full employment in Canada to-day. War factories are being closed. There has been an attempt—I suggest it has been an honest attempt; I am not questioning the motives behind the government's action—to transfer these men. But the fact remains that men are being let out of industry, and that we are not speeding up the production of consumer goods in this country which, I suggest, we might have.

Let me illustrate. Just prior to the Christmas holidays I had a conversation with a plumber in my town. He said to me, "Mr. Hanson, will you tell me where I can buy some clothes to keep my children warm?" I questioned him, and he said that there was not available a single garment of underwear to keep his little children warm. At the same time I understood that the clothing factories in this country had manufactured greatcoats for the army so that there was a surplus close to 300,000 on hand that the army did not need.

Mr. RALSTON: Did my hon. friend verify that?

Mr. HANSON (York-Sunbury): No; I cannot verify it, because the government will not tell me, but I do know—

Mr. RALSTON: My hon. friend has never asked for it.

Mr. HANSON (York-Sunbury): There is a large element of truth in what I say.

Mr. RALSTON: I can say to my hon. friend that the army has ordered greatcoats in accordance with the needs of the army, and the reserves which are required. I can say to my hon. friend, further, that that is why they have been ordered.

Mr. HANSON (York-Sunbury): I am drawing a comparison between what I was told with respect to the need for consumer goods. Of course I do not know of my own knowledge, and I do not think the minister knows either.

Mr. RALSTON: I know that.

Mr. HANSON (York-Sunbury): As a matter of fact, one of the first things this government ought to do, if it has not already done so, is to arrange for the production of consumer goods in this country, not only because the civilian population needs those goods, but because it will keep the wheels of industry turning, and maintain the national income.

I wish to say a word about the question of taxation. There would be no need of an institution of this kind had it not been for the severe and aggressive taxation of industry by the government in its war financing policy. How can industry prepare for the post-war period when they are not allowed to build up reserves for the replacement of machinery, and all those things so absolutely essential? They just cannot do it. It is because of that short-term policy, and because of that lack of action, that this sort of resort to semi-socialism is required. I say that because that is what it is. This bill will bring aid and comfort to our socialist friends; make no mistake about that. They are the avowed proponents of the nationalization of the banks of this country. That may be a good policy, I do not know; but I am opposed to it, at least until such time as I am shown. This is a step toward it. It will not satisfy them, and I venture to say

they will reject it on the theory that it is not even half a loaf, as far as they are concerned. But I do suggest to hon. members opposite, and to many of them who think in an orthodox fashion as I do, that this is a measure of socialism.

Nevertheless, as far as I am concerned, having regard to the auspices under which this bank is to be managed, and having regard to the parentage of the infant, I am not very fearful; because, if there ever was a conservatively-operated institution in this country, it is the Bank of Canada. I know that that will find a reecho from the reverse point of view from some hon. members opposite, and that we shall hear a lot more about it when the Bank Act is under review.

What is the need? The parliamentary assistant did not tell us what the need was.

Mr. ABBOTT: Yes, I did.

Mr. HANSON (York-Sunbury): No; he did not tell us in concrete terms what the need was. He said there was a gap between the two. I suggest that the gap is not as wide as he says—if, indeed, he suggested any dimensions at all. The banks to-day have a plethora of money which they are willing to lend to business.

An hon. MEMBER: Lend it for ten years?

Mr. HANSON (York-Sunbury): The banks to-day are willing to advance money, not only for working capital, as they always have done, but for capital expenditures, provided the term is not too long and the hazard is not too great.

Some hon. MEMBERS: Oh, oh.

Mr. HANSON (York-Sunbury): What is the position? The banks of this country lend the money of the depositors. This bank, when it is formed and put into operation, will lend the money of its stockholders who, after all, are the people of Canada, because the Canadian people own the Bank of Canada and it will be public funds that will go into the shares of this bank. That may not be technically or legally true, but the fact is that it is public money. If there is a need; if there is a gap and there is no other institution to fill that gap, then I suggest to the hon. member that it is a part of progress to fill the gap. But he did not make out a case that there was a gap.

On the other hand, there is a large volume of money which is always ready to take the risk of business. Who is there who has not had a stake in this country built up by the utilization and risk of money of his own? Business men are always willing to take a risk if the hazard is not too great and the returns are commensurate. If we cannot have that sort of thing, then private enterprise is at an end. Private enterprise is just as virile to-day except for the cold hand of government policy which makes it impossible for private enterprise to proceed and expand under the present war financial system. The system may be right or wrong, but the effect is as I suggest.

I do not want to labour the case from that point of view, but I do say that there should be a revamping in the immediate future, or near the conclusion of the war period, of the government taxation policy. Business should be able to learn at as early a date as possible what the position is to be. To my mind there are certain objections to the present system of corporate taxation. As far as I am aware this is the only country which has double taxation of the fruits of industry. I can remember when Mr. Euler was Minister of National Revenue under a government led by the right hon. gentleman who now leads this government. At that time this double taxation of corporate earnings was introduced. The system was condemned from this side of the house. There was an admission that it was double taxation, but there has never been any rectification.

I suggest that if we had not embarked upon that system in days gone by but had followed the system in vogue in England, where there is no corporate taxation but where profits of the fruits of industry are taxed in the hands of the recipients, there would have been just as much revenue obtained as has been obtained under this hardship of double taxation. I do not know, but it is probably too late to rectify that policy. The fact is that it constitutes a blot on our taxation system and is a detriment to the investment of new capital in the country.

According to the prospectus of the hon. member, assistance is limited to capital assistance. That is to say, it is not to be available for working capital. Of course, the hon. member will agree with me when I say that that would be unnecessary with respect to big industry. If these industries were operating under a proper tax system it would be possible for them to establish resources whereby they could finance themselves. There then remains the problem of assistance to smaller industries.

Mr. HANSON (Skeena): May I ask the hon. member a question?

Mr. HANSON (York-Sunbury): The hon. member may ask it but I do not undertake to answer it because I may not be able.

Mr. HANSON (Skeena): A small corporation can get working capital from the banks, but it has been my experience that such a business cannot get anything for expansion. Even if the money were available from the banks, the rate of interest would be so high that it would be no good. The large corporations do not need this assistance, but the small ones do.

Mr. HANSON (York-Sunbury): The large corporations need assistance if they are going to expand on capital account, but they get it by the use of another method, by the issue of bonds or preferred stock, or sometimes by the issue of common stock. I happen to be a director of a public utility which has neither bonds nor preferred shares. It finances entirely with common stock. As we expand on capital account the banks lend us money to cover the capital expenditure, and when that gets large enough we refund it by issuing common stock. That is a common method, and it is probably the simplest and cheapest that I know of to obtain capital funds. Then there are the other methods to which I have referred.

As my namesake and colleague says, it is quite true that small industry cannot operate as advantageously as large industry. The assets are smaller, and as a rule the management is not—I was going to say not as good —perhaps quite as efficient, and at all events they have not the credit. In local communities if the small industry has credit there is always a chance to get capital interested. Where credit is good there is always the chance to get the banks interested. The banks would not want to make a permanent capital investment because they refuse to grant frozen loans since they do not wish to tie up their capital too long, but if an industry is prosperous, if it has credit, if there are character and ability behind the management, then I suggest that there is no great difficulty in expanding and getting new capital. It is the companies which are not in this class, companies which cannot raise capital on their own ability, that may find themselves in urgent need of assistance.

Where does that bring us? That brings us to the point where government funds are to be utilized for capital investment in and capital expansion of concerns which cannot raise money on their own. That means big risks. The risk rises in ratio to the amount of the loan as against the equity in a concern. If the loan is large enough and the equity is small enough, what do we find? We find that this bank is in business. It cannot avoid being in business. It must take over, first, the direction of the business and, second, if success is not attained, the management of the business. So that we shall have the possibility —I do not say probability—of this bank engaging in business with other private industry. I put this question to the hon. member: Is it the intention that the government shall lend money through this agency to private industry in competition with private enterprise? I should like to have that position cleared up. I should like the public to know that in effect government subsidies—this may not be the true description—are to be put into private enterprise, lame duck enterprise if you will, because this does not visualize new industry—

Mr. ABBOTT: Oh, yes, it does.

Mr. HANSON (York-Sunbury): Is this bank to put public funds into new industry in competition with private industry?

Mr. ABBOTT: Where private industry has no private funds; that is the whole point.

Mr. HANSON (York-Sunbury): The private industry that is successful will have private funds. My hon. friend makes that statement, but he does not substantiate it. He does not know any more about this than I do.

Some hon. MEMBERS: Hear, hear.

Mr. HANSON (York-Sunbury): I do not pretend to be an expert, and after listening to him last week I am sure he is not.

Mr. ABBOTT: My hon. friend is too kind.

Mr. HANSON (York-Sunbury): I do not mean to be sarcastic, but I do suggest that we are both lawyers. We are not bankers or economists; we are speaking from our own experience which is rather limited when it comes to the question of business. Perhaps my experience is as great as his, and I suggest it is perhaps a little greater. I have been connected in an executive way with business. However, I did not rise to say that and I do not want to rebuke the hon. member too often, but I do wish to say that his mere *ipse dixit* proves nothing. He has answered my question immediately, that government funds are to be put into private industry to compete with private industry in existence at present.

Mr. ABBOTT: That is not what I said.

Mr. HANSON (York-Sunbury): I asked the hon. member and that is what I understood him to say. If I misunderstood, I stand corrected.

Mr. ABBOTT: I said that the funds of this bank would be lent to small and medium industry where private industry is not providing these loans. That is all I said.

Mr. HANSON (York-Sunbury): I asked a further question. I asked, are the funds of this bank to be lent to new industry? I followed that up by asking, are the funds of this bank to be lent to new industry which will come into competition with industry in existence at present? I understood the hon. member to answer that question in the affirmative.

Mr. ABBOTT: Any new industry will presumably come into competition with existing industry.

Mr. HANSON (York-Sunbury): Not necessarily. This country has put $48,000,000 into a synthetic rubber plant in Sarnia. That is a new industry and a new plant, and it is the annóunced intention of the government that that industry should carry on after the war. That will depend upon the circumstances as they exist after the war in relation to the supply of raw materials. If the natural product ever comes back again from the east or from South America, I do not see how an industry making synthetic rubber can compete with the natural product. But that is all in the future. Is it intended that this bank shall be used to finance the taking over of war factories? Is that not the whole basis of this bill? The minister of mines shakes his head. I venture to say that he does not know anything about it at all. But that is the information I have.

Mr. MACKENZIE (Vancouver Centre): The only one wise man in this assembly.

Mr. HANSON (York-Sunbury): I do not pretend to be wise.

Mr. MACKENZIE (Vancouver Centre): Daniel come to judgment!

Mr. HANSON (York-Sunbury): I put it in the form of an interrogatory. Is it the intention to use the facilities of this bank to set up new factories and to assist them in the acquisition of war factories?

Mr. ABBOTT: Not as far as I am aware.

Mr. HANSON (York-Sunbury): It may well be that there will be a lot of war factories of this country on the bargain counter pretty soon. Some will not be able to stand on their legs. They have been built so rapidly that they will not be able to stand the stress of weather. Take the factory that was built out of green lumber near Winnipeg. I heard the story out there. That was done under the stress of war and I am not blaming anybody for it. Necessity is the excuse. But we have a huge volume of money in this country taken from the people in taxes and in loans invested in war industry. Are those industries to be financed by this bank or to be taken over? I put that question to the parliamentary assistant and perhaps he will answer it when he comes to reply, as I believe he has a right to reply.

There are various other aspects with which I should like to deal shortly. I am in favour of decentralizing business in Canada. I regret more than I can say that there has been allowed to grow up in this country a system of amalgamations of industry which are centralized in central Canada to the detriment of the extremities of the dominion, particularly that part of it from which I come.

Mr. MACKENZIE (Vancouver Centre): Ours too.

Mr. REID: Hear, hear.

Mr. HANSON (York-Sunbury): To the detriment of all other parts of the country. If by the operations of this bank we can assist in the decentralization of industry I give it all the blessings I am capable of giving. It may do a lot of good in that respect. I have always thought that the progress of amalgamation of industry in this country was against sound public policy. I have recognized too, I have been obliged to recognize, that one of the chief factors in the amalgamation of industry in Canada was geography. You cannot beat geography. Take the cotton textile business in this country; review its history. I recall away back in the 1880's, when I was a little boy, there were established in New Brunswick no fewer than four cotton mills, all established by private capital. One of them is closed, and the other three are in the hands of a large textile company in central Canada. What was the reason for that? Principally geography. They were manufacturing raw materials that were not indigenous to this country. That may have been a mistake to start with. They had to haul the raw material from New Orleans into New Brunswick and haul the finished product into Ontario and Quebec where the density of population was, with the result that transportation costs throttled in a large measure that type of industry.

Geography is something one cannot get over. An honest attempt was made by this government in the 1920's to overcome in a degree the handicap of geography by the introduction of the Maritimes Freight Rates Act. That

has been a help in maintaining such industries as we have to-day. But it has been only a palliative. So that if this bank will have the effect, first, of decentralizing industry, which I am rather doubtful—at all events I express the hope that it may do that—and if it will have the effect of stimulating new industry, then I am going to bless it and wish it Godspeed. But from what we have seen, and from what we have heard from the parliamentary assistant I have faint hopes that such will be the effects. Therefore I ask him and the members on the treasury benches to lay the whole plan of the government before us for full employment in Canada. This is only a piecemeal effort. Give us at the same time what the taxation policy of this country is to be, because that is vital to industry. If you take the returns of industry you will see that to-day it is bearing the great weight of taxation. I know there are Canadian people who think industry is making millions because they are subscribing millions to victory bonds. Nothing could be more fallacious. Out of what are the subscriptions for victory bonds coming which these industries are subscribing for to-day? I say with certainty that they are coming out of the proceeds of depleted inventories, inventories that cannot be recouped because of the labour situation. The best illustration I know of is the paper companies. Look how the wood piles of the paper companies are depleted. Their inventories have been turned into cash, and the cash in turn has been invested in victory bonds. But when labour is available those bonds must be sold because they are part of the working capital of these companies.

Therefore, in conclusion, I say that to complete the picture we should have not only this feeble step but the government's whole plan laid before us, and I invite the parliamentary assistant to give it to us. In the meantime I am not going to condemn this bill. I am going to adopt an attitude of wait and see.

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, I do not propose to follow the hon. member for York-Sunbury (Mr. Hanson) in his argument because I have no doubt that the hon. member responsible for the bill will have something to say to him in reply. I just point this out, that we have heard from him to-night a plea for relief of taxation in the midst of a war in which the people of this country are being called upon to make considerable sacrifices both in men and in resources for the prosecution of the war. But we are told that, if given an opportunity, business is always ready to take a risk. My mind goes back to the period from 1930 to 1939, when there were risks and there were money and resources, but business could not cope with the situation which we then faced. I say to my hon. friend that as far as we are concerned we welcome the introduction of this measure as a step in the right direction. I would agree with the hon. member for York-Sunbury to this extent, that it is indeed a feeble step, but it is a step. A publicly-owned institution of this description is an attempt, at least, to do something in the way of financing the development of this country by means of a public institution. It is not, in our opinion, adequate to ensure the volume of capital which will be necessary after the war for the promotion of socially desirable industries and for socially desirable purposes. In any event, whatever policy is followed by this industrial bank if and when it is established, it needs to be paralleled by a central bank and a national policy to maintain two things, full employment and adequate purchasing power to distribute the products of industry. In our view, as we have so often said, national ownership and control of the entire banking and financial system is necessary to meet our present problems and solve the problems of the post-war period. But this bank, compared with the matter of the bank charters which we shall be discussing in a few days, in all probability, because the time has now come when we shall have an opportunity of reviewing the bank charters, can be discussed only as a relatively minor measure, for that is what it is. However, we welcome it as a step toward the establishment in this country of a national investment, monetary and credit policy.

There are, however, some criticisms of the bill which I think we should make immediately. First of all, the measure is ambiguous in some respects. We should be sure, before we give it final approval, that the facilities of this industrial bank which we are to set up under this bill will be available not only to what we might call private industry but to cooperative societies which wish to enter into any industrial undertaking, or to any municipal or public enterprise of any sort which wishes to undertake some public industrial or worth-while development of a public nature. Second, we think it should have been accompanied by a measure to establish an agricultural bank in this country. After all, agriculture is a primary and basic industry, and for many years the political parties have been advocating at one time or another the establishment of an agricultural bank. Now we are told that such a measure is under consideration, and I hope that it will be introduced in the near future, so that it may accompany this proposed industrial bank in the statutes of Canada.

There is another industry which, I think, ought to receive some consideration but which, as far as I can see, is omitted from this bill; I refer to the mining industry. As I understand it, under existing legislation certain taxation rebates are made for certain works in connection with mining. But it appears to me that the only people who can take advantage of those rebates are the large mining companies, simply because the smaller ones are not in a position to make the kind of profit which enables them to secure the rebates of taxation which will permit them to do the necessary development work. I have always felt that in this country the mining industry is being concentrated into a very few hands; that not more than twenty-five or thirty individuals exercise any real control over the industry; and that the prospectors who do the spade work and discover the resources are, often, those who reap the least reward from the undertakings, which they make possible.

It seems too, and in this I agree with the hon. member for York-Sunbury, that this industrial bank may be used merely to assist risky and unprofitable ventures. That should be very carefully guarded against in the administration of this institution, because it would seem—again—that the profitable and more certain ventures will still be taken care of by private lending institutions.

In spite of the demand we hear frequently in this house and across the dominion to give private enterprise another chance, this bill actually removes from the operations of private enterprise any risk whatsoever, or at any rate minimizes it to a very great extent. In other words, the argument so often used that we must compensate private enterprise for the risk will, when this institution is functioning, be no longer available to those who are in favour of the complete control of this country by private enterprise. The risk is being minimized, perhaps even removed, and the public are asked to assume that risk which it is said pertains to private enterprise.

Then, it does not begin to lay the foundations for the solution of unemployment, for the provision of full employment. As has already been said, $100,000,000 for industry is an exceedingly small amount in these days. We shall find that we still have unemployment and idle resources—idle, not because there will be after the war, or is even now, a scarcity of savings, but merely because once again industry will be unable to distribute the products of industry. Profit, and not human need, is the stimulus for production in normal times. One thing the war has taught us, I believe, is that the need of the nation ought to supersede private gain, and that when we are at war we can plan to meet the great public need—far greater—we shall have to meet when we are at peace.

Thus, as I have already said, while the bill is useful in many respects, it is in my opinion quite inadequate. What we need to promote industrial development and to assist purchasing power of the people of this country is a national investment authority together with a planned monetary and credit system, designed to do two things, to produce goods and to distribute them, thus eliminating poverty and raising the standards of living by intelligent and well-defined steps. I said a moment ago that such a policy has been demonstrated as a prime necessity during the war period, and there is no reason why we should not carry the valuable experience that we have had during the war into the peace-time period that will follow. Of course, I do not intend to-night to discuss banking policy under this bill. It does not properly arise under the bill. We shall have an opportunity to discuss banking and monetary policy more particularly when the Bank Act is before the house for revision. Investment policy, however, does arise for the primary purpose of the measure as I see it is to ensure the availability of certain forms of credit—not all forms—to fill a gap to certain types of industry, as we were told when the bill was introduced.

At the moment there are certain main sources to which we look for investment funds. There are the very large accumulations of money in the hands of insurance and trust companies. Then we have the savings of other corporate bodies and the personal savings of the people, and we have of course the undistributed profits of industry. And these undistributed profits, even though we are taxing them in war time, are reaching very sizable amounts.

The private direction of these amounts available to the public and to industry cannot meet the needs of the time. In 1929 there were great accumulations of savings, of investment funds, in the hands of institutions, corporations and individuals; and yet, with all that was available at that time, we entered upon the most devastating period of depression in the history of this country. And then, when we have only private direction of investment, we often have the misdirection of investment funds into all kinds of luxury trades or even into very wasteful expansion. We have

seen in our day and generation the oil companies adopting the policy of a filling station on nearly every corner, and we have witnessed the overcapitalization of other Canadian industries, such as, for example, newsprint before the depression and before the war. These overdevelopments were costly to the community, and they are more costly because, associated with this form of investment, we have a most wasteful system of securing and placing the funds—investment brokers, syndicates, stock exchanges. Incidentally, that machinery is very largely kept in existence by the public authorities themselves, by governments, federal, provincial and municipal, who go into the market and use the machinery, paying commissions and maintaining the system in order to get the necessary funds for desirable public purposes.

I say that this form of investment control, in the hands of increasingly richer corporations and institutions, is dangerous to the public good. We have heard to-night criticisms of the concentration of wealth and power in certain areas of Canada. We who come from other parts of Canada realize how much truth there is in that criticism. But there is tremendous concentration of wealth in the hands of a few corporations in this country. It is all very well to say that when the war is over we shall deal with some of the great monopolistic corporations that have arisen in our midst; but it is much easier to say that than to break up the great concentrations of power once they have slipped from our control. At the present time we have a great concentration of financial power in a few hands, and I should like to see the government introduce a bill with much wider power than this, so that we might direct investment, not into wasteful channels, into luxury goods, but into housing, into the development of our resources, into the provision of full employment, into the building up of the kind of Canada that most of us believe we could build if we really tried.

The present form of uncontrolled investment results, too, in dangerous fluctuations in our economy. We see a great expansion of credit, investment and so on in a period of inflation, of so-called prosperity; then comes a period of depression, and we have a serious deflation of investment and money. Hence this industrial bank, though we regard it as an inadequate step, is a step perhaps toward something bigger, setting up eventually a national investment board which can direct the savings of our people, of our nation, of our public institutions, as well as of our private citizens into proper socially desirable channels. But most of all we need this instrument for the purpose of a planned investment, as I have already said, for the securing of maximum employment and to improve generally the economic, cultural and social levels of our people.

A national investment bank instead of a little industrial bank of this description should be incorporated at the present time as a part of our national banking system. Thus we should have power to use our own national bank of issue more completely than we are able to use it so far. There is no reason why a national investment bank, associated with the national Bank of Canada, the bank of issue, should not in times of deflation, in times of economic recession, issue for capital expansion interest-free money for public undertakings of a desirable sort. Then, if we did strike a period of inflation, that would be the time to get surplus money from the people by borrowing it from them. We should use the financial instrument we now have in order to control our economic structure and our economy in the manner in which it should be controlled in the public interest. Therefore, instead of a bill of this description, which may be merely a prop to private industry, we should have something that would be another real instrument of national policy. That, of course, would mean an institution with much greater capital, with much wider powers than the institution we are discussing to-night.

In the meantime, until we have such an institution, I would suggest to the government that steps should be taken to control investment now and in the post-war period so that capital may be guided and directed into socially desirable channels, not to be used wastefully but to raise the levels of our own people. In other words, instead of speculative investment, which is not the proper term; instead of speculation, to put it more correctly, by boards of directors irresponsible in the sense that they are responsible only to their own shareholders, investment should be controlled and directed by an authority set up by and responsible to this parliament or, in other words, responsible to the representatives of the people of Canada as a whole. In my opinion such a policy would cheapen the overhead of industrial organizations and assist the community in very many ways.

Therefore, in our opinion the present measure falls short of what should be done at this time; and I say "at this time" advisedly, because while I do not share the view that we could afford, at this critical time, to consider departing from the manufacture of munitions of war and supplies needed by the army

and navy, yet the time will come when we shall have to consider the provision of consumer goods for the Canadian people in larger quantities. So that I say we should be planning what we should do in those circumstances; we should be laying the foundations now. As I have said, in my opinion this institution to a very large extent destroys the argument that is so often heard in this chamber in favour of so-called free enterprise. It goes some distance in removing the risks for which the public are supposed to pay those who are engaged in free enterprise. As I say, this bill removes their risks, but they will still retain their profits. However, it is a step toward something which I hope will be more beneficial to the Canadian people when we are ready to expand its functions. Therefore we shall support the principle of the bill, and when it is in committee we shall have more to say, in the hope that we may yet widen the scope of the measure in the directions I have indicated.

Mr. J. H. BLACKMORE (Lethbridge): Mr. Speaker, the principle of this bill is to ensure the availability of credit to industrial enterprises. What is the purpose of the bill? Those who advocate it maintain that it is one of the government's devices for maintaining full employment. If the purpose of this bill is to maintain full employment I must tell the government frankly that they have put the cart before the horse. If this bill is to bring about full employment and guarantee its maintenance it should be entitled something like this: "A bill to ensure availability of money or credit to consumers to enable them to purchase the goods which private enterprise stands ready and willing to produce."

What is the haunting fear of private enterprise from coast to coast in Canada, and in fact all over the American continent? Is it that private enterprise will not be able to produce, that it will not be able to obtain money with which to produce? Not by any means; what private enterprise is worrying about is whether it is going to sell its goods after the war. If private enterprise can sell its goods after the war, private enterprise will employ the people of Canada, just as private enterprise can employ the people of Canada during the war, when the markets are provided by the government purchasing all the goods for use in the war. What is the worry of the farmer, the mining companies, the lumber companies, the milling companies, the factories manufacturing sugar, clothing, shoes, washing machines or anything else? Is it that they will not be able to get money to produce or to expand their capital equipment? Not by any means; all they are afraid of is that they are not going to be able to sell. I have talked with them by the score and they all agree. Therefore, Mr. Speaker, as I have indicated we should be considering ways and means of providing additional purchasing power, not necessarily ways and means of providing additional production. As I have contended on the floor of this house, and as I believe people are coming more and more to recognize, such purchasing power can be provided by the creation and use of debt-free money issued scientifically into the stream of purchasing power in prices, wages, dividends and through other means.

Just to establish my point let us turn to the depression years. What was the cause of unemployment in Canada during the great depression? Was it the fact that people were unable to produce? Was it the fact that industry was unable to obtain money with which to produce? Or was it the fact that industry was unable to sell? Did we suffer from lack of production, or was it overproduction, which of course was underconsumption? If that does not completely establish my thesis I fail to see how it could be established. What caused our trouble during the depths of the depression? We had 750,000 unemployed, more or less; we had 1,250,000 on relief; agriculture was impoverished; labour was living at bare existence levels, and through all we were decreasing and destroying the purchasing power which industry needed in order to be able to sell its goods. Well, if we are going to establish employment in this country we must attack the problem in the right way.

Let us turn to the United States for a few moments and examine the economy of that great nation during the year 1935. What caused unemployment in the United States? Was it inability on the part of industry to produce goods? Not by any means; United States industry, according to Harold Loeb's "Chart of Plenty", stood ready in 1935 to produce enough goods and services to supply every family in the United States with $4,400 worth a year. Were the industries unwilling to produce, I ask my C.C.F. friends? Not by any means. Were they unwilling to sell? Not by any means. Let us get these things straight. I have even heard of some Liberals across the way who apparently have been listening to the socialists and who have begun to be afflicted with the foolish idea that the thing which caused our trouble during the depression was that industry, for some unaccountable reason, would not produce or would not sell. The difficulty was that they could not sell at a price which would enable them

to carry on. That was all. What was the situation in the United States, with this capacity to produce $4,400 worth of goods and services for every family in that country during the year 1935? They had between eleven and thirteen million unemployed and about 23,500,000 on relief. Instead of every family in the United States being able to obtain $4,400 worth of goods, only twenty-one out of every 100 people were able to obtain the goods necessary for a bare subsistence, at a decent standard of living.

What was the cause of that trouble? What would have been the remedy? More production? Well, how anyone can get logic out of the contention that it would be more production passes my understanding. If it was more production, then why was it that the President of the United States was causing cotton to be ploughed under, cattle and swine to be shot and thrown into the rivers to go to sea, oranges to be destroyed? It it was a lack of production, then why was all that nonsense going on?

It was a shortage of purchasing power. What we need to be prepared for when this war closes is to supplement the stream of purchasing power in the hands of the people. Will capital expansion provide purchasing power? Some people maintain it will. I maintain it will to a certain extent, but it will not adequately. Where our difficulty lies is in this fact, that machines are displacing men. Consequently many men are no longer able to earn wages as a result of production. At the same time that machines are displacing men, those machines are greatly increasing productive capacity, and produce a vast surplus of goods which, with the present source of income available to human beings, they are unable to purchase.

There is a shortage of purchasing power. Let no one delude himself into thinking that capital expansion will provide the purchasing power necessary to distribute the goods within Canada. If he does, then heaven help the country, if he happens to be in a responsible position, and is in power. Because he will plunge the dominion into a depression worse than the one we had before.

We will grant that a certain kind of capital expenditures might assist. For example, money spent in building vast irrigation projects, vast reforestry projects, and great road projects, which would supplement the purchasing power in the hands of the people may, in some degree, provide a remedy. It would do so because it would supply purchasing power without increasing the goods available. But ordinary capital construction, for instance, in shoe factories or for the purchase of mining equipment and that sort of thing simply will not solve the problem of purchasing power.

Let us examine the bill for a few moments. The declared objective is to help overcome unemployment by providing loans to industry. Will it accomplish that objective? There are certain specific stipulations in the bill, of which this is one:

> The bank may establish branches or employ agents in any part of Canada.

Then, No. 2 the bank is to ensure:—

> . . . the availability of credit to industrial enterprises which may reasonably be expected to prove successful, if a high level of national income and employment is maintained.

The hon. member for York-Sunbury (Mr. Hanson) I thought discussed that aspect of the bill with considerable effectiveness and success, and therefore it will be unnecessary for me to deal with it.

Then, No. 3:—

> The bank may (a) lend or guarantee loans of money to
> (i) a person engaged in or about to engage in an industrial enterprise in Canada.

Then, No. 4: An industrial enterprise means:—

> A business in which the manufacture, processing or refrigeration of goods, wares and merchandise or the building of ships or vessels or the generating or distributing of electricity is carried on.

These provisions would indicate that the bill has a rather wide measure of usefulness. But there are certain provisos attached to those stipulations which tend in a large degree to nullify the possible effectiveness of the measures to which I have already referred. May I refer to one of these provisos. It states:

> . . . which may reasonably be expected to prove successful if a high level of national income and employment is maintained.

May I ask this: By whom may it be reasonably expected? Who is to do the expecting? In other words, how are we to be sure that men who are qualified for credit will be able to obtain such credit? I wonder if the province, through a government agency, or through any other agency, has anything to do with deciding whether or not a company is going to obtain a loan. If the province has no voice at all in this matter, then there will be room for gross discrimination against certain provinces of the dominion.

Will the community concerned have anything to do with deciding who is worthy of a loan, or whether a business is to be classed

as successful? Who will decide with respect to this matter of success in business? Is allowance to be made for the general economic value to the community, the area, the province or the section generally, in which the industry is supposed to be located? Is allowance to be made for economic value to the community, for example, through employment, markets, aid to other industries, or revenue production?

May I refer to one question which is in the news at this time. It is reported that Ontario is proposing to increase the subsidy on beet sugar production. Why is Ontario proposing to do that? Because Ontario considers the beet sugar industry to be of sufficient value to the economy of Ontario to justify an expenditure of public money in the subsidizing of that industry.

Is this board which will be approached by industries with requests for loans to be influenced in any degree by the value of the industry, by the value of that industry to the locality in which it is proposed to locate that industry? If it is not, we probably may have a wrong definition of the word "success".

Who is to judge what constitutes a high level of national income? Is this to be the president of the Bank of Canada, or who is it to be? There may be considerable disagreement between the board governing the bank, and the ordinary man on the street, with regard to that matter.

Now then, supposing employment is falling off, instead of being maintained at a high level; is this bill not proposed to be a remedy for unemployment? What conceivable value can the bill have if, at the very time unemployment is setting in, the bank refuses to make loans because there is no possibility of national income and employment being maintained at a high level? It seems to me the sponsors of the bill need to give attention to consistency in their stand.

Then, again, what if national income is falling off? Is it not the purpose of this bill to supplement the national standard of income? And if men who are managing the bank say, as soon as national income begins to fall, that it will be unsound for the bank to make loans, then obviously there is inconsistency again. The application of this proviso means that as soon as a slump begins, credit from the bank ceases to be available. Let us suppose, for example, that two or three years after the close of the war a slump should set in. Would the bank immediately cease to make loans? Or would those loans be available only for the very strong business? In other words, would they be available only for big business, business which ordinarily is considered to be able to stand on its own feet, without any additional assistance?

If any of the possibilities I have indicated should materialize, the whole purpose of this bank bill would be completely defeated. It would be null and void and useless, as far as the purpose for which it is purported to be designed is concerned. It looks to me, Mr. Speaker, as though this bill is a measure which, when weighed in the balance, will be found wanting, for the purposes for which it is supposed to have been designed. It looks to me as though, under the impact of stern realities, this bank will prove to be unsubstantial, and unequal to its responsibilities.

May I consider the bill from another angle? There is a place into which such a bank could fit. There is a function which it could profitably perform in Canada. Here are some of the possibilities. It could control the banking policy of Canada. We hear a great deal from our socialistic friends, for whom I have high regard, to the effect that it would be impossible to control the banking system of Canada, unless the government owned that system. I challenge that stand, categorically. A bank of the kind we are considering could be used to control the banking policy, even although it were no larger than this bank at the present time. We are proving this in Alberta by the use of our treasury branches. The treasury branch is a relatively weak institution financially, but it has a strong influence upon the financial activities of the province.

Mr. DOUGLAS (Weyburn): How would you prevent a bank from calling in its credit and thereby causing deflation if you did not own it?

Mr. BLACKMORE: If it became unsound for the banks to lend, would the government have the banks lend at a loss? For example, if the government owned the Bank of Montreal and it became dangerous for it to lend money, if there were a danger they might lose if they did lend it, would the government have that bank lend at a loss?

Mr. DOUGLAS (Weyburn): If your economy were planned it would not be at a loss.

Mr. BLACKMORE: That is the important point, the planning of your economy. How would you plan your economy? I maintain you should do it by putting purchasing power in the hands of your people sufficient to enable them to buy your products. There would then

be no danger of a loss to the banks and the banks would not hesitate to lend money. I believe all hon. members will see that stand is sound and logical.

In direct answer to my hon. friend's question I would say that if the banks persisted in refusing to lend money, then the thing for the government to do would be to develop an institution of the sort under discussion to dimensions large enough that it could lend adequately. There is no doubt that the government could. This bank is to be provided with $25,000,000 in the form of paid-up capital. That amount could just as easily be $250,000,000. The money will all be created by the Bank of Canada and will cost the Bank of Canada nothing, or it could be so created. Consequently this bank could be expanded by order in council to the point where it would be able to lend all the money necessary in any area of Canada while the banks recovered from their panic.

But the object would not be to have the government go into the banking business. It would be merely to create a corrective to bring the banks into line. Certainly our banks exist to lend money. If they found the government was taking over the lending business I should think they would become concerned about it at an early date and go in and do some lending themselves. We are finding that that is what is actually occurring in Alberta. It must be borne in mind that money can be created debt free. I do not suppose anyone in this chamber will gainsay that. Money can be created regardless of gold. A government can thus be economically and financially free. Let us face that fact realistically and honestly and progressively.

Currency could be created and lent at perhaps one per cent, and credit could be created and lent at perhaps one-quarter of one per cent. If this bank were made a bank of issue, with sufficient support by the Bank of Canada, there is no reason why it could not lend credit for working capital, and perhaps currency for fixed capital purposes. This bank could thus be used to control interest rates charged by the chartered banks. The government could control interest rates simply by lowering interest rates on money coming out of this bank. The banks would then have to bring down their interest rates to conform with the interest rates charged by the government-owned institution.

The government could control the availability of loans. If there were men in the community who were worthy of credit but to whom for one reason or another the banks would not provide credit, they could be given assistance. The bankers would thus be brought into line in a very short time. We have proved that already in many communities in Alberta. For some reason or another banks refuse to lend to certain types of industry in certain areas. A government agency of this kind could lend money to these industries and thus make sure that no discrimination existed. I have in my hand the submission of the government of New Brunswick to the Rowell-Sirois commission in which they complain bitterly of the credit policy in existence in Canada. I believe I will take the time to read a passage which appears on page 49 as follows:

> In this connection it is well that the commission should bear in mind that the Canadian banks have been centralized in Ontario and Quebec. Prior to confederation and for some years afterwards we had our own banking institutions in this province and our people were able to obtain money for the encouragement of industry here.
>
> The head office of these banking institutions were removed, after confederation, to Montreal and Toronto where they were situated more immediately in touch with the financial interests by which they were controlled.
>
> The result has been that industries in New Brunswick have not been able to obtain financial assistance in cases where such assistance would enable our local industries to compete with those in the provinces of Ontario and Quebec.
>
> Pertinent cases may be cited where local industries in this province have been destroyed because of the difficulty of financing and we submit that finances have been withheld as local industries might come into competition with similar industries in the last mentioned provinces.

There has been almost untold suffering throughout seven of the provinces because of the application of that particular principle. That difficulty of discrimination against provinces could be overcome entirely by the government using a bank of this kind. The bankers could be brought into line in the matter of lending to industries no matter in what province they happened to be.

A bank of this sort could control the economy of Canada. We hear a great deal about the decentralizing of industry. Both the hon. members who preceded me referred to the centralizing of industry in Ontario and Quebec and pointed out that it was a bad thing for the Dominion of Canada. Industry should be decentralized and spread out among all the provinces.

A bank of this sort could decentralize industry and render the various provinces of Canada more or less self-sufficient. This would be of great assistance to the maritime and the western provinces. One of the reasons why we in Alberta, Saskatchewan and other prov-

inces go into debt to the institutions in Ontario and Quebec is the fact that we have not developed sufficient industry. The result is that our people are only primary producers. They are penalized by the low prices they receive and by the high prices they must pay for the products they need. Then they have to pay railroad transportation both ways, and they pay interest upon the money involved in both transactions. If there were an industrial development in each of those provinces it would overcome the tendency of one province to go into debt to another.

A bank of this sort could render Canada self-sufficient to a much greater degree. She would not be obliged to import more than was necessary from abroad. May I point out once more that a bank of this sort can control the banking policy of the Dominion of Canada, doing it by strategic means rather than by ownership. It is not necessary for the government to own the banks in order to control them; control could be exercised by strategic means.

This question must be asked concerning this bank: will these possibilities be realized by this bank? Will interest rates be brought down, and will loans be made available equitably with a view to the greatest good to the greatest number of Canadians? Will industry be decentralized? Will the various provinces be made economically self-sufficient? Will Canada be rendered self-sufficient? Will the banking system be rendered obedient to the government? Will it be made to work for abundance for all, or for scarcity, so that a few may have great profits and power? These are the questions we have to ask ourselves in considering this bill. I fear very much that the answer to every one of these questions is not going to be "yes."

I wonder if the facts which have been adduced already in this debate do not strengthen the suspicion that this bill is nothing but political window-dressing, that it is nothing but a clever device designed to trick the Canadian people into thinking that the King government really means to do something to remedy the ill of unemployment, that it does know what to do and that it does have the power to do something effective? I am afraid that the answer to that must be "yes." It is simply window-dressing. We have had examples of this before in the history of this country. When the Prime Minister spoke of currency and credit in terms of public need in 1935 he led people in the west to think he meant what he said. Then he came into the house a few years later and explained to us very simply that he meant by currency and credit in terms of public need exactly what we had at the time he spoke. In other words, he had contemplated no change whatsoever. This kind of clever trickery coming from the Liberal party the people of Canada have to be on guard against.

This same man told the people that there would be a war against the money power waged on the floor of the new parliament. I have been here ever since that parliament convened, and the only war against the money power waged by the Liberal party has been a war for the money power and against those who were trying to control the money power. Never once have I seen the government adopt a single measure which would challenge the position of any money power.

Take another example of trickery; we were told that if we had government ownership of the Bank of Canada it would do wonders for us. I ask this question: Did government ownership of the Bank of Canada make any change whatsoever in the banking policy of Canada? Not a bit. I submit to my socialist friends that government ownership of banking institutions without a change in policy will accomplish nothing whatsoever in the interests of the country. But a change of policy, even with private ownership of the banks, will.

Mr. DOUGLAS (Weyburn): If the banks will let you.

Mr. BLACKMORE: They will let you. I am not condemning your proposals for government ownership of the banks. I say that it has great possibilities. With a change of policy the Bank of Canada could operate for the great benefit of the people of Canada.

Mr. NOSEWORTHY: If the C.C.F. were in power.

Mr. BLACKMORE: They would be hog-tied just the same as the Liberals because they would not understand what to do. Unless they understood the principle of debt-free money, they would not understand what to do.

Mr. NOSEWORTHY: We had better come to Social Credit for advice then.

Mr. BLACKMORE: You had better do so now.

What did the Bank of Canada do? Did it give employment to Canadians? Did it raise wages? Did it equalize prices? Did it lower taxes? Did it reduce duties? Did it lower interest rates? Did it make more money available to the rank and file of the Canadian people? Did it develop Canadian economy? Did it decentralize industry? Not at all. Did it do any of the things which were necessary in the Canadian economy to make life more

livable in this country? None of them was done even with a government-owned bank. Have we grounds for hoping that this new bank will do any better? We have only too little. If we are to solve the problems confronting us we must use means altogether different from those of which this new bank is an example.

I hold the view that if democracy is to prevail in Canada after the war is won, the government must take fundamental action to change the economic system of Canada from the present system of scarcity into a system of total use of Canada's resources.

The government's task is both a profound and an immensely urgent one. If it is not discharged before the war is won we shall betray our boys fighting on every battle front.

The government has presented a programme of reform. As I have already said, in face of the needs of the Canadian people, the programme is meaningless, just as meaningless as this bill is. It promises much. It can accomplish very little under the present set-up. The reason is that only total use of resources can give the Canadian people the prosperity to which they are entitled, and the fact is that the men behind the government of Canada will not permit the adoption of total use of resources because they believe that only scarcity can pay high profits. And to those concealed advisers and directors of the Liberal party, high profits for them come before prosperity for the people, even if the people should be our boys returning from risking their lives on the battlefield.

To-day there is ample evidence before parliament to prove that the doctrine of scarcity dominates the economy of Canada. Let me give the house one or two examples. Take the meat situation. Hon. members have followed for the last six weeks the development of the meat situation in Canada. Can one conceive of a situation being more pathetically and tragically bungled than the meat situation in this country? What was the reason? It was simply that the Liberal government does not dare to liberate the productive capacity of Canada, because it fears abundance. It believes only in scarcity at home. Would a bank like this new one that is proposed in any way relieve a situation of that sort? The bank might merely assist the farmers to produce more beef, and the Liberals would be all the more terrified.

Take the sugar situation. I believe solemnly that there has been no need of scarcity of sugar in Canada during this war, or for the years immediately preceding the war, nor has there been any reason or justification for the high prices of sugar which have prevailed. Evidence which I adduced the other night proved conclusively the soundness of my position. I believe that quantity and price have been affected, not so much by the circumstances of war, as by the fact that prior to the war and also during the war the production and sale of sugar have been manipulated by a sugar trust or combine and that one of the dominating units in this trust has been the St. Lawrence Sugar Refining company. I ask would a bank such as the one we are now considering in any way remedy that situation? Not by any means. How could it? There are plenty of companies that stand ready to finance new sugar refineries to produce beet sugar in this country. Do they need assistance from a bank such as this? Not by any means. All they need is markets. All they need is the go-ahead signal.

Mr. NOSEWORTHY: There are plenty of sugar markets now.

Mr. BLACKMORE: They cannot get the machinery now. I suppose hon. members would be surprised to know that since the war broke out, men came into this city and went to see responsible officials in the dominion government and offered to bring into Canada three sugar factories, and they were refused the concessions which they needed in order to give them a chance to establish sugar factories to produce sugar in this country. The men in charge of the government chose rather to let the Canadian people go short than risk an abundance of sugar—an abundance which they dreaded.

I am going to ask questions which I believe ought to be answered. What is the relationship existing between the government and this great sugar combine, and between the government and the head of this corporation, one John W. McConnell? Why has the government condoned this manipulation in the sugar industry? It would allay considerable suspicion in this house and throughout the country if the Prime Minister (Mr. Mackenzie King) would rise and categorically state that the Liberal party has never received, directly or indirectly, from the St. Lawrence Sugar Refining company, from J. W. McConnell, or from anyone representing either or both of these, or any other Canadian sugar interest any contribution of money for the campaign funds of the Liberal party.

Mr. DOUGLAS (Weyburn): That will be a $64 question.

Mr. BLACKMORE: We would be equally relieved to receive an absolute assurance from the Prime Minister that Canada Packers has made no contribution to the Liberal party's campaign funds.

Mr. SPEAKER: Order. The hon. member is now introducing something that is not within the purview of this bill.

Mr. BLACKMORE: I am dealing, Mr. Speaker, with the possibility of this bank affecting the economic situation in Canada.

Mr. SPEAKER: I understood that the hon. member was referring to campaign funds.

Mr. BLACKMORE: All I am seeking to do is to show how the government can allow scarcity to control in this country.

Mr. SPEAKER: I would ask the hon. member to desist from his references to campaign funds.

Mr. BLACKMORE: I will desist from that kind of discussion.

I have given one or two examples of the way in which the economy of this country might be influenced and controlled. I have illustrated the way in which huge concerns exercise their influence. I might have added that if it were known whether or not these big concerns which I have referred to have contributed liberally to war loans and if the government feared to disoblige them lest they should desist from lending, it would help us to understand who it is that controls this government and how the control is exercised.

Now may I say to the government that they would escape from all such pernicious controlling influences if they would adopt a sane and sound financial system, one that reflected the facts of the Canadian economy, for no concerns in this country would be able to gain or exercise control over a government which was free to issue money in relation to goods and services such as the people could produce.

May I conclude with both a warning to the government and an appeal? Once more I warn the government that scarcity must give way to abundance before this war is won; otherwise we shall betray our fighting men. I tell the government solemnly that to-day it should be ashamed to face those boys already coming home from the battlefields. If this government does nothing more than it is doing now, it will be afraid to face our conquering soldiers when the war is won. I say this because upon its performance right up to this date all the government is able to guarantee our soldiers is a return to unemployment and poverty. They are coming home right now to unemployment and poverty, and the trend to such—thousands of them—and nothing is done to alleviate the situation; that is, nothing substantial.

Here is my appeal. I have said that the people of this country have a right to the total use of their resources. That means maximum consumable production and equitable distribution of that production, distribution by consumption. I defy any man in this house to rise in his place and state that the people are not entitled to this right. I defy any man to say that the people would not have this right if parliament were free to get it for them. Then let us set parliament free. Let the government renounce its hidden bosses and take up the cause of the people. If it does so it will find loyally behind it the membership of this house without regard to party. Then Canada, both French and English-speaking, will give leadership to the English-speaking peoples of the world.

This is a great and holy cause in which we can all serve, this cause of democracy, of freedom from want and fear. Therefore, if the government continues subject to direction by the hidden hands which have thus far guided it, I appeal to all those patriots in the Liberal party to renounce their party subservience and to join with free men outside the Liberal party to set the people free, and to give a chance to the boys who come home from overseas, and to the parents and loved ones and friends who have saved and served and sacrificed to send them over there.

Mr. J. J. KINLEY (Queens-Lunenburg): As I see it, the principle of this bill is to promote the economic welfare of Canada by the establishment of an industrial welfare bank, to be set up according to the provisions of this bill which is now before the house for second reading. With its purpose I agree. I listened with some interest to the speech of my fellow-maritimer the hon. member for York-Sunbury (Mr. Hanson). While he made his usual interesting and critical statements, I could not discover whether he was for or against the bill. The hon. member for Rosetown-Biggar (Mr. Coldwell) expressed support of the bill. I listened with some interest to the leader of the Social Credit party (Mr. Blackmore), and while I believe in his earnestness and his sincerity, it seems to me the way he suggests is too easy a road for this cruel world through which we are going.

Mr. BLACKMORE: So we shall go on suffering, eh?

Mr. KINLEY: I want at the outset to say that I am in favour of sustaining the chartered banks of this country, because I believe they are well controlled and efficiently handled and that they do a splendid service to the people of Canada. Not only do they serve this country, but they operate abroad, and the banking houses of Canada are sentinels in

foreign countries for Canada's export trade. Wherever I see exports I believe there must be merit, and in order that a country may be a successful exporter to another country there must be strength and workmanship. The superiority which our banking system has maintained for many years will, I believe, stand us in good stead in the years to come, when our export trade will be a big feature in the development of our economic future.

The Canadian banks are in the vanguard to be factors for our export trade, so that it would not do unduly to interfere with or weaken them. At the same time there is no reason why we should not make an experiment and have an industrial bank as a part of our industrial equipment. We believe in competition and free enterprise, and we must keep abreast of the needs of the time. I trust there is no intention to close the road to any development; rather open it wider to meet the exceptional needs of reconstruction, at this serious period of our history, when all economic forces should be intelligently brought into play. The government has many statutory provisions whereby special financial consideration is given to our citizens, and it may be that these should be coordinated through a bank. The experiment is worth-while making.

We hear each day a lot of criticism of Canada's war-time effort. Strange to say, most of the praise comes from outside our country. Only to-day I saw in the paper an enthusiastic account of Canada's war effort by a United States commentator, who made the statement that in two years, while Canada's price ceiling had risen two per cent, that of the United States, on the same basis of calculation, had risen fourteen per cent.

The hon. member for York-Sunbury criticized the war effort in speaking of the principle of this bank. Why he had to do that I do not know. I believe that we are progressing in so far as monetary matters are concerned and that we are keeping up with the needs of the time.

Every one of us, either by reading or by personal experience, remembers the last war. We recall that the money for the conduct of that war was borrowed, whereas in this war we are paying fifty per cent of the cost as we go. During the last war victory bonds were issued bearing 5½ per cent interest. This time no such interest is paid. In addition to that, tax-free bonds were sold to the people and there was very little criticism about it at that time. Furthermore, there was no restriction on the accumulation of wealth. Wealth accumulated during the last war; tax-free bonds made it easy for the affluent to pay their taxes, and the percentage paid for borrowing money was an amount that we would not consider at all in this period of our history. So that we are making progress. While my hon. friend criticizes the action of this government, I believe the statement of the Bank of Canada, which has been presented to this house, shows that in finance Canada has made a splendid and most efficient effort. The statement of that bank, if one considers it calmly, reads like a romance in finance. I think the $15,000,000 profit it has brought to the exchequer of Canada shows that while some people opposed that institution when it was formed, it has a splendid record and engenders enthusiasm and confidence in the Canadian people to go on to other efforts.

The chartered banks of Canada are controlled by law and their activities are in the nature of a revolving cycle; circulation is in and out and it is vital to the success of the country. Frozen loans are avoided wherever possible, because the banks, in the very nature of things, must be kept liquid; they must be able to face the clearing house. Certain business is prohibited. The details appear in section 151 of the Bank Act. Certaain business of a static nature is prevented. This to a degree is the difference between our banks and the banks of the United States. It will be recalled that the banks of Canada survived the crisis of the last decade while the banks of the United States met disaster. One factor causing the American difficulties was long-term business. This is the field where present-day conditions seem to show the need, and an industrial welfare bank is eminently designed for that purpose.

Under section 15 of the act, with respect to business and powers, the bank is enabled to lend or guarantee loans of money to an industrial enterprise, including loans on real or personal property. This is now done largely by trust companies and individuals. I would say that the bank has some of the characteristics of a bank and nearly all the powers of a trust company, and it is intended to assume some of the functions of both.

I am disappointed that the interpretation section, wherein industry is defined, includes the building of ships but not the operating of ships. It is my opinion that after the war there will be plenty of ships, and the question will be, what are we going to do with them? That will be an important question. There are 80,000 men now in the Canadian navy and 44,498 in the merchant marine. Many of these men will want to continue at sea. I often meet naval officers, especially those of the Royal Canadian Naval Reserve, whose

ambition is to be part owner of a ship after the war and sail her in the merchant marine trade.

The United States built a number of ships and found them too slow, and now they are building victory ships so as to be in the forefront of the mercantile marine enterprise. It may be that we should build faster ships for the period after the war. In my opinion some provision should be made so that the men on the sea in this war who have great responsibilities in the navy may be able to continue in their calling, and I hope they will get help from their country in order that ships may be operated in the serious days of reconstruction.

In the prohibited business category in our Bank Act ships are included, and there is also fishermen's floating property along the Atlantic and Pacific coasts. Everyone fights shy of lending money on floating property and there is a need which this bank can supply if we so decide in committee. I find that the bill calls for ownership and management by the Bank of Canada. I doubt if this is advisable. It looks too much like a state-controlled monopoly. Erroneously, people have the idea that freedom is embodied in government ownership. Carried to excess, I think it means dictatorship. Competition breeds freedom, initiative and efficiency. I think we all admit that the Canadian National railway service in Canada is better because we have the Canadian Pacific railway, and I recall that Canadian Steamships is an interlocked directorate with Canadian National railways. Well, we lost most of our Canadian ships. It is hard to serve two masters, and in my opinion too much concentration of power in any arm of government is detrimental to the liberty of the subject.

This parliament has had two set-ups of the Bank of Canada. First, this government had a fifty-fifty set-up, whereby the people of Canada owned half the stock and the government the other half. This brought to the Bank of Canada the opinions of men all over the country who were interested in industry. They were elected by the shareholders and we knew what was going on. They had an annual meeting where they had to face the shareholders. It was claimed that the government must own the stock of the Bank of Canada completely to make it effective, because it must supply funds according to public needs, and the act was changed. Will anybody tell you that a person who owns fifty per cent of the stock in any company does not to all intents and purposes control that company? The government controlled that concern, but they had the advantage of the cooperation of the Canadian public, and while it cost some money in the way of dividends, that could have been controlled.

I noticed one day in the Chateau Laurier, coming down the elevator, a sign on the board: "Annual breakfast of the Bank of Canada." It seems to me that government control is hardly control by the people in its fullest meaning as it was in the original set-up.

It is argued that economies will be effected under this new set-up, but the bill provides that the directors of the proposed bank are to be paid, and they will have an entire managing staff; so why not give them some authority and let the bank stand on its own feet? Let it be strong in its own right. We are told that when we create a company we create another person in law; so let this person be strong. I believe the directors of this bank should be independent of the Bank of Canada; I think that would be eminently in the interests of the public. For want of a better word I would say that the powers of the Bank of Canada over the banking system of this country are almost judicial. The preamble of the Bank of Canada Act is quite comprehensive; it states that the bank is to regulate currency and credit in the best interests of the economic life of the nation. In section 2 of that act it is provided that the bank shall not, except as authorized by the act, engage in or have an interest in any trade or business. Evidently that provision is to be overcome by forming another company with the same ownership and management.

I am not criticizing, Mr. Speaker; I am only comparing. I note that the proposed bank does not come under the provisions of the Bank Act. That act is for the protection of the people. Under this bill there is no ceiling on business charges. I do not know that this is a serious matter, because they will be obliged to be liberal in their dealings in order to carry out the purposes of this bill. We are told that this bank is to help small industries, but there is no ceiling on the amount it can lend to any one company. It seems to me that if we say a bank is intended to help small industries fill the gap that exists in the present lending system, in order to meet the needs of the people, there should be a ceiling so that we may be sure only the small industries will be assisted. It may be said that this bank will bring uneconomic forces into play in industry. Well, if we have good management it will be like any other bank, and it is only reasonable to suppose that the management of this bank will see to it that its business is conducted on sound lines. I think I would trust them in that connection.

and I do not think we need have any great fear about hurting the chartered banks. They are very strong. Banking in Canada has been remarkably free from competition in the last decade; the banks have cooperated well with each other. In the light of our experience, Mr. Speaker; in the light of the needs of the future, I believe the setting up of this bank is in the public interest.

Mr. T. L. CHURCH (Broadview): Mr. Speaker, the motion before the Chair is for the second reading of the bill to incorporate the industrial development bank. On second reading we may discuss the principle of the bill but not the various clauses. The preamble and the interpretation section describe the functions of the proposed bank. Coming from an industrial province and an industrial city, I would hold up both hands in favour of this bill if I thought small industries in this country were going to get any relief from the intolerable artificial burdens and barriers and restraints of trade which have been imposed on small industries by this government since the beginning of the war. Under the control system of Mr. Donald Gordon and his associates on the wartime prices and trade board, $115,000,000 has been the cost of the various bonuses, subventions, subsidies and all that sort of thing, and who is going to pay for them? After all is said and done, in our economy the small industrial man has been the forgotten agency ever since this system of bonuses and subventions was started. I remember when the Farmers' Creditors Arrangement Act was brought in by the former government for the purpose of giving relief to the dirt farmers on the land. In 1935 it was extended to cover fishermen. At that time I contended that relief of this kind should be extended to small industries and to industrial workers throughout the country, but nothing was done. Then came the war, and the government of the day imposed the control system which I have indicated.

The parliamentary assistant to the Minister of Finance (Mr. Abbott) gave a lucid description of the functions of the proposed bank. The hon. gentleman has had a great deal of training, which should equip him for promotion. He stated that one of the functions of the bank would be to prepare the way. Well, they have been a long time preparing the way for the small industries of this country, who have been the forgotten members of our economic state since this war started. This measure is designed to bring about a high level of employment and national income after the war, and according to the preamble the measure is designed to promote the economic welfare of Canada by supplementing the activities of other lenders and by providing capital assistance to industry, with particular consideration to the financing of small enterprises. Then the interpretation clause defines an industrial enterprise. The provisions of this bill are contained in some thirty-four paragraphs; the parliamentary assistant gave a detailed explanation of the scope and object of the legislation. It would appear that the bank has power to guarantee loans, to acquire stock and bonds, and so on, and the bank is given power to lend money to both new and existing industrial enterprises. I should like to find out whether this measure will enable the small business man, who has had to obtain a loan from a shark loan company, to get on his feet again, and transfer to this new bank. Will those who have had to borrow money be helped under this measure? Many of our small industries have had to close up under the present control system.

The proposed bill is a Santa Claus bill. It will be a bank of faith, hope and charity, if it is proposed to aid the small industrial owner. Will the proposed bill enable him to have an account taken with respect to these shark loan companies which are charging him 2 per cent a month and more? Will it enable the small industrial proprietor to go to the subsidiary bank of the government or the Bank of Canada and seek funds from this subsidiary bank of the Bank of Canada in the manner indicated? I say there should be equality of treatment.

The parliamentary assistant said:

> I want to make it clear that this bank is intended to supplement the activities of existing lending agencies rather than to displace them. If the credit requirements of a business are of such a nature that they can be obtained from a chartered bank or in the investment market, well and good. On the other hand, if such sources are not available then the industrial development bank will consider applications to assist projects which appear to be economically sound. The industrial development bank is not being set up to finance enterprises which are obviously doomed to end in failure. It would not be in the public interest to subsidize uneconomic activities in this concealed manner. On the other hand if the industrial development bank is to fill the gap I have described, it must operate on the assumption that there will be on the average a relatively high level of economic activity. . . . The government believes that the existence of the industrial development bank will be of particular value to small business which has laboured under a certain handicap in obtaining medium and long-term capital. These small industrial establishments are an essential part of our economy, an important source of employment and production, one which we must not overlook when planning to maintain a high level of employment and income in this country after the war.

If that is so, namely, that they are an important part of our economy as far as employment is concerned after the war, then it has taken the government of the day nearly five years of war to find it out.

As I say, if this bill is going to give any help to those small industries, then I hold up both hands for it. But when I examine what the facts are I believe that in some respects this is a political bill. In other respects it might turn out to be a Santa Claus bill. Then, it may turn out to be that the industrial owners will not get the same privileges that the farmers, the fishermen and others have received under similar state-aid bills.

In the first place, I think the government in this instance has got the cart before the horse. First of all, it should announce to the house that it is going to remove some of the artificial barriers and burdens in restraint of trade which have been placed upon industry since the beginning of the war. Second, it should announce what its policy is to curb the shark loan companies, those companies which are charging more than two per cent a month. It should also announce what it is going to do about reducing taxation. Many of our industries have found that they have been driven to the wall by the barriers and heavy burdens of taxation.

In addition to that, I find that in England they are preparing for the period following the war. They are taking steps to protect small industry. Over there they have what they call a pre-war trade practices act, to put industry back to where it was before the war. We should have the same kind of bill adapted to our circumstances in Canada.

Perhaps I might point out some of the things which will have to be decided. I believe some of those young gentlemen who are popularly known as the brain trust or theorists who are behind the finance department, those men who have been the framers of the bill, as I see it, have not yet had any practical training in any competitive business. Yet we find them imposing in an unrestricted fashion these artificial burdens and barriers on business. Before the government creates this subsidiary bank it should make some announcement of policy. What is its policy going to be with respect to the proposal of one leftist party to take over the banks and the insurance companies? In my opinion, an election should clear the air and we should first decide whether or not we are to have a totalitarian state, because if we are to have that there will be no such thing as private industry or private enterprise, or any large industry or small industry in Canada. That is one of the first things which will have to be decided.

We must decide, further, if we are to have tariffs. I know of no businessman to-day, either in large or small industry, who will invest a dollar in the expansion of his industry until he knows what the electors of Canada will do with the proposal to create a totalitarian state, a state in which the banks and insurance companies will be taken over.

In Ontario, during the term of office of the Drury government in 1923, a proposal was made along the lines of free trade with our competitors and destruction of industry. During the four or five years that government was in office not a business man in Ontario would invest one dollar in any industry. The result was that many industries were driven to the wall.

A decision will have to be made on what is to be done about preferential tariffs, which are guaranteed by article 4 of the Atlantic charter. What is to be done about that? What is to be done with preferential and favoured nation agreements. And, by the way, I should like to get some attention from the ministry for a short time. For the past three years I have been asking the Minister of Munitions and Supply (Mr. Howe) what is to become of industry after the war. I should like very much to have their attention, particularly that of the Minister of Munitions and Supply. It is not often I address a question to him, and I do so now in all seriousness. In the sessions of 1941, 1942 and 1943 I proposed that the minister should make an announcement as to what he is going to do, when the war ends, with large and small industries in Canada working on war contracts with the government. It took many years after the last war before business could convert from a war-time to a peace-time economy. Money was not advanced under the Bank Act, and business was tied up, causing widespread unemployment. I presume this bill will be sent to a committee, but before it goes we should have some announcement from the government as to its policy on the matters I have raised, and a statement as to how much money it will release. I suggest that it should be up to fifty per cent, and that there should be some standard form of accounting taken immediately in all industries, so that when the time comes for a cessation of hostilities business men who could not get advances from the chartered banks on a standard plan might get it through some government policy ahead, instead of having to wait three or four years or, as happened after the last war, sometimes ten or fifteen years, to get some help and settlement of accounts here.

In my opinion small industry has been done to death by controls, subcontrols, artificial burdens and barriers put upon them by the wartime prices and trade board. Many of them have had to close up, because they could not get the labour or deliveries of parts of machinery. They were the victims of the system.

We find that this proposed bank contracts itself out of the Bank Act. Provision is made in the bill with respect to loans on real estate. A coach and four has been driven by some of the larger chartered banks as to real estate clean through section 82 of the Bank Act. Not by the widest stretch of imagination can it be said that any chartered bank in Canada to-day has power to go into commercial real estate. I should like to have the attention of some of the members of the treasury board who are here this evening, because they are responsible for the present violation of section 82 of the Bank Act which has enabled these banks to go into commercial real estate. The government are writing into this industrial development bank bill the same power given to the chartered banks, I believe by sections 22 and 23. Section 82 of the Bank Act reads:

No bank shall hold any real or immovable property, howsoever acquired, except such as is required for its own use, for any period exceeding seven years from the date of the acquisition thereof, or any extension of such period as in this section provided, and such property shall be absolutely sold or disposed of, within such period or extended period, as the case may be, so that the bank shall no longer retain any interest therein unless by way of security.

They were not to go into commercial real estate except for the purchase of buildings necessary for their business. The section continues:

2. The treasury board may direct that the time for the sale or disposal of any such real or immovable property shall be extended for a further period or periods, not to exceed five years.

3. The whole period during which the bank may so hold such property under the foregoing provisions of this section shall not exceed twelve years from the date of the acquisition thereof.

4. Any real or immovable property, not required by the bank for its own use, held by the bank for a longer period than authorized by the foregoing provisions of this section shall be liable to be forfeited to His Majesty for the use of the Dominion of Canada: provided that

(a) no such forfeiture shall take effect until the expiration of at least six calendar months after notice in writing to the bank by the minister of the intention of His Majesty to claim the forfeiture; and

(b) the bank may, notwithstanding such notice, before the forfeiture is effected sell or dispose of the property free from liability to forfeiture.

5. The provisions of this section shall apply to any real or immovable property heretofore acquired by the bank and held by it at the time of the coming into force of this act.

Notwithstanding all the provisions contained in the Bank Act for inspection and auditing and all that sort of thing, we had the failure of the Home bank and the Farmers' bank. What is to happen in connection with this industrial development bank? I do not want to throw cold water on the idea because I want to see a real bank that will give relief directly and indirectly to the small industries of this country to put them on their feet. They have been the forgotten agencies and we shall have to have some declaration of policy from the government on the various matters I have mentioned. Until that is done I do not think we can express an opinion on the functions or the objects or the proposals in connection with this industrial development bank.

There are one or two other matters I should like to raise in connection with this bill. What is to be done with the loans already arranged for with different small shark loan companies set up by the Department of Finance, which are charging over two per cent a month? Are the small industries to be given the same privileges which were granted under the Farmers' Creditors Arrangement Act to farmers and fishermen? Are these loans to be taken over by the industrial development bank? I know many small industries in my city have been driven by war and controls to the wall; there are three or four in my own industrial riding. There has been no retrenchment in taxation and I do not know how the business man is to continue with the present state of affairs.

When dealing with another matter I referred to a visit made by Mr. Morgenthau, the treasurer of the United States, to Italy. He saw some of the soldiers over there who had had individual small businesses before they enlisted. They wanted to know if in addition to suffering in flesh and blood they were to be asked, when they returned, to pay for the war as well. They wanted to know if they were to get back their small businesses. Something should be done to provide relief for these small businesses. I cannot see anything in this bill that will protect the soldier who had a small individual business and who left it in the care of his wife or some other relative. They should be able to apply to the bank for relief.

The minister is not here this evening, but his parliamentary assistant has described the bill. This country was built up largely by our industries and since confederation they have paid a large share of the taxes. They have had little or no protection from the

controls and artificial barriers which have been imposed since the war started. I hope that when this bill goes to the committee the small men—I am here to represent the small retailer and business man—will be able to get some relief which he is not getting to-day.

Mr. W. A. TUCKER (Rosthern): Mr. Speaker, I am sure that there will be general agreement with the purpose of this bill as expressed in the preamble, which states:

Whereas it is desirable to establish an industrial development bank to promote the economic welfare of Canada by increasing the effectiveness of monetary action through ensuring the availability of credit to industrial enterprises which may reasonably be expected to prove successful if a high level of national income and employment is maintained, by supplementing the activities of other lenders and by providing capital assistance to industry with particular consideration to the financing problems of small enterprises.

The bill proposes the setting up of an institution which is to be owned and controlled by the Bank of Canada and which may lend or guarantee loans to any industrial enterprise. As I understand it, capital will be supplied to the extent of $25,000,000 by the Bank of Canada, and a further $75,000,000 will be provided by permitting the industrial bank to borrow money on bonds or debentures. There is a provision that when the reserve is built up to the extent of another $25,000,000 from profits, the bank can borrow on bonds and debentures a further $75,000,000. The extent of the capital at present available, however, would be $100,000,000.

I should think one of the main purposes of the bank would be to assist those returning from overseas to get established in small businesses. I believe it will be acknowledged that one of the difficulties encountered by anyone starting up in business who has to borrow money on long term is the interest burden. It seems to me that the rate of interest to be charged should not exceed three or three and one half per cent. That brings up one of the features of the bill which I submit should be reconsidered, and I hope the banking and commerce committee will reconsider it.

Once the $25,000,000 advanced by the Bank of Canada is used up, the remaining money will have to be obtained, under the set-up proposed by this bill, by selling bonds or debentures. Those bonds or debentures, in order to meet a ready market would have to bear interest, I suppose, of around 4½ or 5 per cent. Mr. Towers, the governor of the Bank of Canada, in giving evidence before the banking and commerce committee in 1939 estimated that it cost two per cent of the assets of the chartered banks to do business. Assuming that the cost of doing business by this bank would be in the same proportion—it might be higher because it would not be business on the same scale as the chartered banks to begin with—they would have to lend money at around seven per cent. They could not possibly hope to lend money at less than six per cent, and I submit that in order to help small businesses provision should be made for them borrowing money for a long term at not more than 3½ per cent. In order to make that possible two things could be done. In fact, both I submit should be done. One is to permit the bank to receive deposits on which it would not have to pay more than 1 or 1½ per cent. The other would be to permit the bank to make use of the rediscount privileges which the chartered banks now have. In other words, it should have the right to take its bonds and rediscount them with the Bank of Canada at the present rediscount rate of 1½ per cent and, if the rate were lowered, at the going rediscount rate.

The chartered banks have consistently taken the stand that if they are not permitted to make loans or to purchase government securities to the extent of ten dollars for every one dollar of their cash reserves, they cannot extend credit at the present rate of interest which they have to charge, which in many cases is six and seven per cent. I submit that if the chartered banks have to charge six and seven per cent with the privilege of accepting deposits and having the rediscount privilege, this new bank without such privileges would have to charge even more. The industrial development bank should be allowed to accept deposits the same as any chartered bank and have the same rediscount privileges. To deprive it of those privileges would be to force it to charge a higher rate of interest than it should if it is to carry out the function for which it is being set up.

As to the bill itself, I naturally will support it because I think it is a definite step in the right direction. It has been said that the bill does not go far enough. I remember when this government came into office in 1936 it found in existence a Bank of Canada which was owned and controlled by private interests, and it brought in a bill whereby it took control of the Bank of Canada but left the private interests owning the same number of shares in the Bank of Canada that they owned before and left them with representation on the board of directors. In other words, the private interests were left with a substantial ownership of shares in the Bank of Canada and a substantial share of control of the bank. It was suggested at that time that because the

government had not introduced a bill to establish one hundred per cent ownership and control by the public of the Bank of Canada we should vote against the bill, but my attitude at that time was this. I was not going to vote against a step in the right direction just because it did not go as far as I should have liked it to go.

My attitude in regard to this bill is the same. I do not think enough capital is provided to do the work, but that can be remedied as more and more capital is acquired. I do not think the bill provides for getting the capital at a low enough cost. That should be remedied in the banking and commerce committee; if it is not remedied in that committee it will become very plain in the actual operations of the bank that it should be done, and it will be done at any rate when the bank has had a chance to operate for a short time.

I certainly am pleased that it is proposed to introduce a bill to provide for cheaper long-term credit to the farming industry. Anyone who has watched the development of the farming industry in western Canada will, I think, agree with me when I say that one of the great difficulties of that industry has been the fact that the farmers have had to pay seven and eight and nine per cent on mortgage loans. Had those loans borne interest at around three per cent, then payment of eight per cent over a period of less than twenty years would have paid the loans off. But what happened was that in fairly prosperous years the farmers paid the eight per cent and were unable to cut down the principal of the loans, and that when times got a little worse they found the loans too heavy to carry, and the fact that they had to pay interest on these loans cut down their standard of living to a very low level. So that I think it is all important that steps be taken to lower the cost of money to the farming industry.

It is also very important that the agricultural bank when set up will have the right to accept deposits and have the right of rediscount so that it will get its money at least as cheaply as the chartered banks get theirs. If it gets its money as cheaply under the rediscount privilege at 1½ per cent, and assuming that it takes two per cent to do business it could lend money at 3½ per cent to farmers to improve their homes and buildings, to get implements, to electrify their homes, and perhaps get better breeding stock. A bill like that I hope is in the mind of the government and will be enacted this session

It has been suggested that all of the government's programme should be put before the house at once. But my answer to that would be that such a programme has to be put before the house step by step. It can all be considered in the banking and commerce committee as a whole, unless the committee decides that it wants to report each item separately.

There is one thing on which I feel I should make some comment. The hon. member for Rosetown-Biggar (Mr. Coldwell) availed himself of this opportunity once more to indicate, as I took it, that if the government took control of industry in this country there would be no difficulty at all. He referred to the period from 1933 to 1939 and spoke of the difficulty of getting private capital to invest in industry during that period, and he suggested, as I understood it, that if his party came into power and took control of all industry in the country—

Mr. CASTLEDEN: Nobody has any such intention.

Mr. TUCKER: I can only speak as I understood the hon. member. It is quite true that in certain places the C.C.F. say that they do not intend to take over control of some particular industry, and in other places they say they do. In British Columbia it is stated, for example, that their programme is actually to take control of farm land as in Russia.

Mr. DOUGLAS (Weyburn): Would the hon. member quote that.

Mr. TUCKER: I can quote it but I have not it on my desk. I would ask the hon. member this: Do the C.C.F. members in this house say that that is not the programme of the C.C.F. in British Columbia, or in Ontario? If they say it is not the programme, then I will sit down and hear them deny it. But I read the *Vancouver Sun*. It stated that the programme of the party in regard to farm lands was—I forget the exact wording, but "as in Russia" was used. That is enough for me. I would like to have the C.C.F. members say whether their supporters in British Columbia have or have not adopted that as their programme.

Mr. DOUGLAS (Weyburn): Does the hon. member want an answer?

Mr. TUCKER: Yes

Mr. GRAYDON: Be careful.

Mr. DOUGLAS (Weyburn): The hon. member has quoted something from a newspaper without having the paper here. The C.C.F. have no policy—

Some hon. MEMBERS: Hear, hear.

Mr. MacNICOL: Well, that is good news.

Mr. FRASER (Peterborough West): Truer words have never been spoken.

Mr. DOUGLAS (Weyburn): That is vociferous without being funny. The C.C.F. have no policy in any province—

Some hon. MEMBERS: Hear, hear.

Some hon. MEMBERS: Oh, oh.

Mr. SPEAKER: Order.

Mr. DOUGLAS (Weyburn): That is rather characteristic of people who will hardly wait to get an answer. The hon. member wants an answer. The answer is that the C.C.F. have no policy in any province advocating the collectivization of land as in Russia, or anywhere else; and if the hon. member wants to discuss that he ought at least to bring a copy of the C.C.F. programme with him and quote from it, rather than depend on his memory of what is stated in the *Vancouver Sun*.

Mr. MACKENZIE (Vancouver Centre): I will bring about fifty extracts next Thursday to this house to prove that what the hon. member for Rosthern (Mr. Tucker) said is correct.

Mr. DOUGLAS (Weyburn): I wish the minister would do so.

Mr. GRAYDON: I do not think that would help very much, but I would like to bring some myself.

Mr. KNOWLES: And I do not think that will help much, either.

Mr. TUCKER: I take it that the hon. member for Weyburn says that that is not the programme. He takes the responsibility for saying that that is not the programme and that his friends in British Columbia did not use the words "as in Russia," meaning collectivization of farm lands as in Russia. I gather that the hon. member is rising and undertaking to correct me and say that that is not so. I wonder if that is the case, that he undertakes to make that statement?

Mr. DOUGLAS (Weyburn): The hon. member for Rosthern is asking me to contradict something which he himself is not definite about. He says, "something to that effect." Now will he make a definite statement? I am quite prepared to contradict it; I will say most definitely that the C.C.F. in no province in Canada have at any time advocated the collectivization of land as in Russia or anywhere else. I state that most categorically.

Mr. FRASER: (Peterborough West): Your leader in British Columbia said that.

Mr. DOUGLAS (Weyburn): Not at all.

Mr. FRASER (Peterborough West): He absolutely did.

Mr. MITCHELL: And the socialization of industry.

Mr. TUCKER: I am quite satisfied. The hon. member has now stated that their party in British Columbia did not say that they are going to do the same to farm lands in British Columbia as was done in Russia. I intend, Mr. Speaker, to bring the actual statement before parliament at the very earliest possible date; in fact, if I could adjourn this debate now I would bring the statement and present it during this debate. Indeed, in view of the fact that the hon. member has undertaken to make that categorical statement I ask leave to adjourn this debate so that I can present the proof to him right in the course of this debate. I move the adjournment of this debate.

Mr. GRAYDON: Mr. Speaker, surely we are not going to reach the position in this house where an argument between two hon. members justifies the adjournment of an important debate like this.

Mr. SPEAKER: The hon. member has made the motion. I shall have to put it to the house. Those in favour will please say "yea". Those against will please say "nay".

Some hon. MEMBERS: Yea.

Some hon. MEMBERS: Nay.

Mr. SPEAKER: In my opinion the "nays" have it.

Mr. TUCKER: Mr. Speaker, as I was saying when interrupted by the hon. member for Weyburn, the Cooperative Commonwealth Federation suggest that if they take control of all industry in this country and ownership of all the means of wealth production in the country, they would have no difficulty in regard to handling the situation in Canada. I would say in that regard that, whether the state owns and controls industry or whether it does not, if we have not the markets to export the vast surpluses of food products, metal products and wood products which we produce, there will be great difficulty in handling the industrial and economic set-up,

and the fact that it is owned by the government will make it no easier to meet the situation than if it is handled by private industry. It seems to me that in advocating that a group of politicians should control the industrial set-up, instead of having it controlled by the people who are used to it, and without meeting the problem of markets, the C.C.F. are taking for granted that the Canadian people have very short memories and very little understanding as to how these things do actually operate.

Another matter which has been mentioned, and which I think is of importance, is the decentralization of industry. I have felt for some time that banking policy shows more unwillingness to extend credit to industries in the maritimes and in western Canada than to industries in Ontario and Quebec. I suggested some years ago that there should be some means whereby anyone who had a good proposition and was denied credit to develop it should have a right of appeal to some body which would have in mind the interest of the country as a whole. It is true that to-day the banks, in extending credit, consider only banking interests, and it is time that there should be some control over them in the extending of credit, so that, should they allow the interests of the banks too much weight as contrasted with the best interests of the country, there should be some public authority able to intervene.

We have a board of grain commissioners. It is suggested that we have a board of live stock commissioners. I submit that in handling a public franchise as important as public credit there should be an authority to which people or, indeed, communities, could appeal if they did not think they were getting a square deal. I suggest that, if we retain our present banking system substantially as it is, there should be a board of bank commissioners to which people could appeal if they did not get a square deal with respect to the extension of credits.

As to the necessity for providing for cheap long-term credit, I would give an example. One of the things we need badly in western Canada is mills to crush flax and oil-bearing seeds which we grow. It would save the cost of shipping them east, and it would retain to us the by-products which we can obtain from crushing these plants. As I understand it, there is great difficulty in getting credit to set up these oil-crushing plants because, most bank directors being stationed in the eastern and central part of Canada, they know only the set-up in their own areas and are less inclined to advance credit to industries on the prairies or in the maritimes. This bank, I assume, will enable people who want to set up such oil-crushing plants to get the necessary credit. It comes down to this, and I am quite frank to say so, that the banks to-day operate the most valuable franchise which this country has given to any group of people, and that franchise must be operated in the interests of the people of Canada; otherwise either they will have to be controlled or, as the other alternative, the franchise will be taken away from them. As a Liberal I believe it would be much better to control the banking system in the best interests of the country, rather than put it in the hands of politicians to operate under the control of a government.

I am quite satisfied, Mr. Speaker, that my hon. friends of the C.C.F. party, when they take the attitude that the government should control everything, are proposing a policy whereby ultimately the government would be so powerful that political liberty would become a fiction. I have no doubt that if a government got control of the entire economic activity of the country our political rights would go. I suggest, therefore, that the solution consists in steps such as this by which, to the extent required, we may improve our economic system so that it shall meet the needs of the time without transferring to the hands of a government the ownership and control of industry except as absolutely required by the needs of the time as developments occur.

On motion of Mr. Diefenbaker the debate was adjourned.

SUPPLY

The house in committee of supply, Mr. Bradette in the chair.

DEPARTMENT OF MINES AND RESOURCES

122. Departmental administration, $152,565.

Item stands.

DEPARTMENT OF TRADE AND COMMERCE

338. Departmental administration, $151,500.

Item stands.

Mr. GRAYDON: May I say to the acting leader of the government that we have now put into supply nine departments one of which, I believe, national defence civil estimates, has been concluded and passed. I would caution the government that while we are prepared to facilitate the work of the administration as far as possible, we are now reaching the point where perhaps they are straining matters a little to ask us for the moment to enter into any more departments as they are now doing. There are now nine departments in supply and that gives the government plenty of room to operate in, so that before any further move

is made the government ought to consider the suggestion I have offered.

Mr. MACKENZIE (Vancouver Centre): Speaking on my own behalf only, may I say definitely that there is no restriction on the rights of the government. There is no power on the part of the opposition to prevent the government from going into supply. There is no obligation either of rule or of procedure to prevent the government from calling any items of supply that may be entered into.

Mr. GRAYDON: The minister cannot mean that in the manner in which he says it.

Mr. MACKENZIE (Vancouver Centre): I certainly do.

Mr. GRAYDON: After all, we are willing that the government should get into supply in each of these cases, but if the government invites an amendment each time it asks for supply, then of course we shall be inclined to oblige them with an amendment.

Mr. MACKENZIE (Vancouver Centre): We called two items on Monday afternoon to give an opportunity for amendments or discussion according to the desire of any group in the house.

Progress reported.

On motion of Mr. Ralston the house adjourned at 10:55 p.m. until Thursday, at three o'clock p.m., pursuant to special order made Monday, February 21, 1944.

Thursday, March 9, 1944

The house met at three o'clock.

PRIVILEGE—MR. TUCKER

REFERENCE TO STATEMENT OF MR. DOUGLAS (WEYBURN) IN DEBATE ON MARCH 7

Mr. W. A. TUCKER (Rosthern): On a question of privilege, Mr. Speaker, on Tuesday last the hon. member for Weyburn (Mr. Douglas) categorically denied a statement made by myself as to the policy of the C.C.F. party of British Columbia.

Mr. DOUGLAS (Weyburn): On a point of order, Mr. Speaker, I should like to have your ruling. First of all, on a question of privilege has the hon. member the right to deal with what was a question of fact? In the second place, if he is allowed to do that, am I permitted to reply to his statement, also on a question of privilege?

Mr. SPEAKER: I am in this difficulty, that as yet I do not know what is the question of privilege. However, I would hope that the hon. member who is raising the question would take into consideration what has been said by the hon. member for Weyburn.

Mr. TUCKER: I will state the question of privilege. The hon. member stated that I was quoting something from a newspaper, without having the newspaper here. A fair inference would be that I was stating to this house something that was incorrect as to the reported policy of his party in British Columbia. I claim the right to show this house that I was stating the situation correctly, and was not attempting to mislead the house by quoting from the newspaper to which I was referring.

Mr. SPEAKER: I cannot agree that this is a question of privilege. Perhaps it could be brought up on the orders of the day, but certainly not as a question of privilege. If there is a dispute between two hon. members as to facts, there are other opportunities when they may make their statements.

Mr. MACKENZIE (Vancouver Centre): We can place the facts on record when the debate is resumed.

ARGENTINE REPUBLIC

STATEMENT AS TO CANADA'S POSITION IN REGARD TO RECOGNITION OF NEW GOVERNMENT

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, on Tuesday last my hon. friend the leader of the opposition (Mr. Graydon) asked if I would make a statement with respect to the recognition or non-recognition of the present regime in Argentina. I have a statement to make which is a little longer than I might wish it to be, but I believe hon. members will appreciate having a statement given at some length.

The situation in Argentina of recent months has caused considerable anxiety, both to her neighbours in the western hemisphere and to the united nations. This concern is provoked by the need for solidarity in the western hemisphere against axis intrigues and by the importance of Argentina as a source of foodstuffs and important raw materials for the united nations.

Since a coup d'etat overthrew the administration of President Castillo last June, the control of policies has passed from one military group to another, while the normal processes of democratic government have ceased to operate. parliament has not been summoned, political parties have been dissolved and the newspapers placed under more drastic controls. Within nine months, three generals have in turn exercised presidential powers, while the foreign office has been administered

by two admirals and two generals and, in addition, there have been several other cabinet changes.

On January 26 of this year the government of President Ramirez announced a rupture of diplomatic relations with the axis powers because of the revelation of axis intrigues within Argentina which were contrary to its neutrality and a threat to the security of the other American countries. This decision brought Argentina in line with the other countries of the western hemisphere, all of whom have either declared war upon Germany or severed diplomatic relations with her and other axis countries. The decision undoubtedly reflected the pro-allied sympathies of the great majority of the people of Argentina. It was thought to be a forerunner of other acts of hemispheric solidarity and defence.

In the month which followed, certain groups believed not to be in sympathy with the declared Argentine policy of joining the defence of the hemisphere were successful in forcing General Gilbert, Minister of Foreign Affairs to resign on February 15. Ten days later they secured the delegation of the powers of General Ramirez as president to the vice-president and minister of war, General Farrell.

Following these changes in personnel the United States government instructed its ambassador, Mr. Norman Armour "to refrain from entering into official relations with the new regime pending developments." A statement describing the reasons for the position taken by the United States was issued by Mr. Stettinius, acting Secretary of State, on March 4, which stressed the fact that in Argentina "the support by important elements inimical to the united nations war effort of movements designed to eliminate action already taken could only be a matter of grave anxiety."

In response to a question in the British House of Commons yesterday, the British foreign secretary stated that in view of the obscurity surrounding the circumstances of President Ramirez' delegation of his function to Vice-President Farrell, the British ambassador in Argentina had confined his communications with the Argentine government to routine matters only. The same position had been taken as regards communications between the British government and the Argentine ambassador in London. Mr. Eden also announced that this attitude would be maintained pending developments in Buenos Aires.

The Canadian government has been kept fully informed of developments in Argentina by its legation in Buenos Aires. It has also had the benefit of first hand information from the Hon. W. F. A. Turgeon, who only recently returned from serving as minister in Argentina. Pending a clarification of what remains a most confused and obscure situation, the government has instructed the Canadian charge d'affaires in Buenos Aires to refrain for the present from any official contacts with the administration of General Farrell. With the people of Argentina our friendship remains unaffected. We hope and trust that Argentina will evolve a policy commensurate with her past, worthy of her citizens and calculated to meet the needs of hemispheric defence.

GRANBY MINING CORPORATION

JAPANESE INTERESTS—REFERENCE TO RETURN TABLED MARCH 6

Right Hon. W. L. MACKENZIE KING (Prime Minister): On Tuesday last the hon. member for Rosetown-Biggar (Mr. Coldwell) referred to documents which had been tabled concerning relations before the war between Japanese interests and the Granby Mining Corporation. My hon. friend quoted a statement made by the Japanese minister in a letter dated October 22, 1940, to the effect that the contract of the Granby company with the Japanese company had been approved by the Canadian government and added that he could find in the return no document relating to the contract or to approval by the government. I informed the hon. member that my recollection was that the government had had nothing to do with the contract and that I believed this was made clear in the correspondence.

I have now had an opportunity to have the matter checked and I find that my original impression was correct. In the reply dated November 22, 1940, from the Department of External Affairs to the Japanese minister is the following paragraph, and which I should say was in the return which my hon. friend had:

> In this connection it should be clearly understood that the contract between the Granby Consolidated Mining and Smelting Company for the sale of its output of copper concentrates to a Japanese purchaser had never been "approved by the Canadian government." So far as the Canadian government was concerned, this arrangement was an ordinary private commercial contract which did not require or receive the approval or disapproval of the Canadian government.

The correspondence itself shows how the idea first gained currency that the Canadian government had given its approval. After the fact was pointed out to the Japanese minister that the contract was a purely commercial transaction which had not been given the approval of the government, the Japanese minister admitted that he had never seen any confirmation of the approval, and added:

Pending further instructions from my government, I desire to say with reference to the above, that the intimation I made in our memorandum of the 22nd ultimo to the effect that this sale of copper had been carried on with the approval of the Canadian government had its basis in a passage of the speech Mr. M. J. Coldwell delivered in the House of Commons on July 31, 1940.

This is contained in a letter of November 30, 1940, which is included in the return tabled.

The hon. member referred to the Granby Mining Corporation on three occasions in 1940, and it was really on May 20, at page 53 of *Hansard,* that he claimed that "the contract was made with the approval of the government," although he did refer to the matter again on July 31.

To conclude this question, I wish merely to point out that the Granby contract was entered into in January, 1940, almost two years before Japan entered the war. It was a commercial contract which the government was not called upon to approve or disapprove. However, as the final item of the correspondence, a letter of December 4, 1940, from Doctor O. D. Skelton to the Japanese minister, makes clear:

Like all such contracts, its performance was subject to the general conditions of the public interest, and it ceased to be binding when the copper requirements of Canada and her allies compelled the Canadian government to withhold further permits for the export of copper from Canada to other countries.

Mr. GRAYDON: With respect to the question of approval or disapproval, did the Granby Corporation require a licence for the export of that material to Japan, and, if so, did the government grant it?

Mr. MACKENZIE KING: I cannot say, but I do not think an export licence was required.

Mr. COLDWELL: Were they not required to have permits for the export of this material subsequent to September, 1939?

Mr. MACKENZIE KING: I cannot answer that question offhand, but I shall get the information for my hon. friend. What I am surprised at is that when I asked my hon. friend if this statement of mine was not contained in the correspondence which had been tabled, he said he had read the correspondence through and had it in his hand but it was not there.

Mr. COLDWELL: I got the return that day and I had it on the desk. I read it through but I missed that paragraph.

Some hon. MEMBERS: Oh, oh.

Mr. COLDWELL: It is all very well to laugh, but I did not do it deliberately. I never do. My references in the house were based on the questions I asked during the debate in this house in April, 1940, when I understood it was admitted that the government did know of this and had approved it. Permits had to be given, as I take it.

Mr. MACKENZIE KING: I do not think so, but I shall make sure.

Mr. COLDWELL: The correspondence says so.

Mr. MACKENZIE KING: My hon. friend says he has read the correspondence, and if he says that the correspondence so states, I will be prepared to take his word for it.

Mr. COLDWELL: I shall read it again.

Mr. MACKENZIE KING: Does my hon. friend say that the correspondence says that permits had to be granted?

Mr. COLDWELL: I believe it does; it says that a permit is required.

Mr. MACKENZIE KING: I do not think it does. We shall look up the facts, anyway.

[*Later:*]

Mr. COLDWELL: In view of the exchange between the Prime Minister and myself a few minutes ago, I would refer him again to copy of letter of December 4, 1940, signed by Doctor O. D. Skelton, the last sentence of which reads:

Like all such contracts, its performance was subject to the general conditions of the public interest, and it ceased to be binding when the copper requirements of Canada and her allies compelled the Canadian government to withhold further permits for the export of copper from Canada to other countries.

So that permits were required up to that time.

Mr. MACKENZIE KING: I would still like to look into that and see if a system of permits was in existence as early as 1940. I know there was a period when permits were required, but whether it was at that time or not I am not wholly sure.

EXPORTS TO SPAIN

STATEMENT AS TO NON-SHIPMENT OF WAR MATERIALS FROM CANADA

Right Hon. W. L. MACKENZIE KING (Prime Minister): On Tuesday the hon. member for Winnipeg North Centre (Mr. Knowles) asked me to look into the matter of shipments of war materials from Canada to Spain in view of the rumours concerning such shipments which apparently have been circulated in the United States. I have now had the matter investigated, and I can inform the house that exports from Canada to Spain in recent years have been negligible. In 1943 they were valued at $169,021. The chief product was

short fibre asbestos and asbestos waste used for making building materials.

All shipments to Spain must pass through the allied blockade and must therefore be cleared through the blockade controls. The allied nations obtain from Spain supplies of mercury, wolfram, cork and other materials which are needed for our war effort or which it is desired to deny to the enemy. Whatever may be the rumours to which the hon. member has referred, war materials are not being sent to Spain from Canada.

COLUMBIA RIVER BASIN

STATEMENT WITH RESPECT TO REFERENCE TO INTERNATIONAL JOINT COMMISSION

Right Hon. W. L. MACKENZIE KING (Prime Minister): I should like to make a statement with reference to matters pertaining to the Columbia river which have been referred for investigation to the international joint commission. I am making the statement now because it has been agreed that it will be made simultaneously at Washington.

The governments of Canada and the United States have agreed to refer to the international joint commission, for investigation and report, the question whether it would be feasible and advantageous to make a greater use than is now being made of the waters of the Columbia river system. The reference to the commission is being made under article IX of the treaty relating to boundary waters between the United States and Canada, signed on January 11, 1909.

As questions concerning the Columbia river basin are of great interest to the province of British Columbia, the government of that province has been consulted at all stages in the drafting of this reference.

The report of the international joint commission will not be binding on the governments concerned, but it is likely that the investigations of the commission will result in suggestions and recommendations which will be carried into effect by joint action of the two governments.

The commission has to date dealt with nine separate applications with reference to specific problems concerning the Columbia river and its tributaries. The present reference concerns the entire Columbia river system. It is based on the realization that a large part of the water resources of the two countries in this important river basin is being allowed to go to waste because of lack of adequate regulation and control, and upon the desirability of more effective flood control. The investigation by the commission will cover domestic water supply and sanitation, navigation, efficient development of water power, the control of floods, the needs of irrigation, the reclamation of wet lands, the conservation of wild life and other beneficial public purposes.

When the commission has completed its investigations there will be available to the two governments a complete and detailed report on the best uses to which the waters of this vast river basin can be put.

The Columbia river is 1,200 miles long. In comparison, the St. Lawrence from Duluth to Father Point is 1,700 miles long. The watershed of the Columbia river is 259,000 square miles, of which 39,400 are in Canada.

At present there is a total installed capacity of approximately 450,000 horse-power in the Columbia river basin in Canada. The studies to be undertaken by the commission will determine the total potential water power in the basin.

The Columbia is a truly international river. Any development, and particularly any power development, of the resources of the river on one side of the boundary is certain to have an effect in the other country. For this reason it is necessary that the plans for development of the river basin in one country should be adapted to those in the other.

It is unlikely that a complete report by the commission will be available for several years, but it is expected that the commission will bring out interim reports from time to time with regard to projects which might be integrated with post-war rehabilitation plans.

I now table for the information of the house copies in English and French of the reference by the Canadian government to the international joint commission.

Mr. THOMAS REID (New Westminster): May I be permitted to ask the Prime Minister a question regarding the commission which is to inquire into the Columbia river? Will he consider referring to the commission the question of the violation by the United States of the agreement by building dams across the line without consulting this country, thereby denying to Canadian citizens the rights they had under the treaty of 1845?

Mr. MACKENZIE KING: My hon. friend's question is not so much a question as an assertion of something of which whether it is true or not I do not know.

Mr. REID: Then he will have to take the word of an hon. member.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

PENSIONS—OLD AGE AND BLIND—FILING OF LIENS

Mr. KNOWLES:

1. In what provinces are liens filed against the property of old age and blind pensioners?

2. Is the filing of such liens the subject of any arrangement or agreement between the provinces and federal government?

Mr. ABBOTT: Stand.

Mr. KNOWLES: Will the parliamentary assistant to the Minister of Finance give the reason for the long delay in the answer to this question? It has been on the order paper for a month.

Question stands.

GRAIN—STREET PRICES AND FREIGHT RATES

Mr. DONNELLY:

1. What was the street price of No. 1 Northern wheat at stations taking a 25-cent freight rate in western Canada on December 16, 1929; December 16, 1932, and December 16, 1943?

2. What was the street price of No. 1 C.W. white oats at stations taking a 25-cent freight rate in western Canada on December 16, 1929; December 16, 1932, and December 16, 1943?

3. What was the street price of No. 1 C.W. 6-row barley at stations taking a 25-cent freight rate in western Canada on December 16, 1929; December 16, 1932, and December 16, 1943?

4. What was the street price of No. 1 C.W. flaxseed at stations taking a 25-cent freight rate in western Canada on December 16, 1929; December 16, 1932, and December 16, 1943?

5. What was the street price of No. 1 C.W. rye at stations taking a 25-cent freight rate in western Canada on December 16, 1929; December 16, 1932, and December 16, 1943?

Mr. MacKINNON (Edmonton West):

Date	Grade	Price per bushel	Remarks
1.	Dec. 16, 1929	No. 1 Northern wheat	$1 14	
	Dec. 16, 1932	No. 1 Northern wheat	0 19½	
	Dec. 16, 1943	No. 1 Northern wheat	1 07	—(C.W.B. initial advance)
2.	Dec. 16, 1929	No. 2 C.W. oats	$0 48½	—No. 1 C.W. oats not quoted.
	Dec. 16, 1932	No. 2 C.W. oats	0 07½	—No. 1 C.W. oats not quoted.
	Dec. 16, 1943	No. 2 C.W. oats	0 40	*—No. 1 C.W. oats not quoted.
	*Does not include advance equalization payment of 10 cents.			
3.	Dec. 16, 1929	No. 3 C.W. barley	$0 44	—No. 1 C.W. 6-row not quoted.
	Dec. 16, 1932	No. 3 C.W. barley	0 11	—No. 1 C.W. 6-row not quoted.
	Dec. 16, 1943	No. 2 C.W. 6-row	0 49½	*—No. 1 C.W. 6-row not quoted.
	*Does not include advance equalization payment of 15 cents.			
4.	Dec. 16, 1929	No. 1 N.W.C. flaxseed	$2 29	—No. 1 C.W. flaxseed not quoted.
	Dec. 16, 1932	No. 1 C.W. flaxseed	0 47	
	Dec. 16, 1943	No. 1 C.W. flaxseed	2 27½	*
	*26½-cent freight rate. Freight rate on flax seed 1½ cents higher than on wheat.			
5.	Dec. 16, 1929	No. 2 C.W. rye	$0 73	—No. 1 C.W. rye not quoted.
	Dec. 16, 1932	No. 2 C.W. rye	0 11	—No. 1 C.W. rye not quoted.
	Dec. 16, 1943	No. 2 C.W. rye	1 00	—No. 1 C.W. rye not quoted.

WARTIME PRICES AND TRADE BOARD—REGINA INSPECTORS OR REPRESENTATIVES

Mr. PERLEY:

1. Are T. G. Derrington and H. C. Watson, of Regina, Saskatchewan, employed as inspectors or representatives of the wartime prices and trade board out of the Regina office?

2. If so, (a) what were their respective salaries and expense accounts for the last year; (b) are they permitted to act as collectors of accounts owing to companies or private individuals?

Mr. ABBOTT:

1. Yes. Both men are investigators on the staff of the Enforcement counsel for Saskatchewan.

2. (a) T. G. Derrington—salary $1,800 per annum plus cost of living bonus. Travelling expenses during the calendar year 1943, $777.96.

H. G. Watson—salary $1,800 per annum plus cost of living bonus. Travelling expenses during the calendar year 1943, $476.85.

(b) To obtain the required skilled personnel for the board's staff, it has been necessary, on occasion, to employ members of the staff for most, but not all of their time, allowing them to devote some attention to their private affairs. In such cases, it is arranged that private business must not be given attention during the board's business hours, and that there must be no conflict with duties to the board, which are paramount. These arrangements were made with Mr. Derrington and Mr. Watson, and have been carried out.

SPECIAL PRODUCTS BOARD—ALFALFA OR OTHER SEEDS

Mr. BRYCE:

What persons, companies or organizations in Manitoba, Saskatchewan and Alberta were authorized to purchase alfalfa or other seeds for the special products board?

Mr. GARDINER: The following persons, companies and organizations in Manitoba, Saskatchewan and Alberta have been authorized by the special products board to issue participation certificates on its behalf, on seed purchased from growers:

Manitoba—

Steele, Briggs Seed Company, Limited, Winnipeg.
Brett-Young, Limited, Winnipeg.
McCabe Brothers Grain Company, Limited, Winnipeg.
Searle Grain Company, Limited, Winnipeg.
Manitoba Pool Elevators, Limited, Winnipeg.
Federal Grain, Limited, Winnipeg.
A. M. Thomson, Melita.
J. S. Wheatley, Deloraine.
C. C. Campbell and Son, Reston.
E. Holmgren and Son, Sprague.
A. E. McKenzie Company, Limited, Brandon.
Seed Marketing Company, Limited, Winnipeg.

Saskatchewan—

Steele, Briggs Seed Company, Limited, Regina.
Bell's Limited, Prince Albert.
Newfield Seed & Nursery Farms, Codette.
Newfield Seed & Nursery Farms, Nipawin.
S. A. Early and Company, Saskatoon.
Hood Land Company, Limited, Hudson Bay Junction.
J. H. Speers and Company, Limited, Saskatoon.
Saskatchewan Forage Crop Growers' Co-operative Marketing Assoc., Ltd., Prince Albert.

Alberta—

Alberta Seed Growers' Assoc., Limited, Edmonton.
Capital Seed & Poultry Supply, Edmonton.
Grimm Alfalfa Seed Growers of Alberta, Limited, Brooks.
Steele, Briggs Seed Company, Limited, Edmonton.
Philip Keeley, Sangudo.
Alberta Seed House, Edmonton.
Sangudo-Mayerthorpe & District Seed Growers' Co-operative Assoc., Ltd., Sangudo.
Pembina Valley Co-operative Seed Growers' Marketing Assoc., Limited, Cherhill.
Peace River Seed Growers' Co-operative, Limited, Grande Prairie.
Geo. W. Green & Company, Limited, Lethbridge.

PURCHASE OF PROPERTY IN KINGSTON

Mr. CARDIFF:

1. Has the government acquired the property known as Roselawn, at Union St. West, Kingston, Ontario?
2. If so, when, and what was the purchase price?
3. What is the total of expenditure made by the government on this property since it was purchased?
4. Who is occupying the property at the present time?

Mr. MACDONALD (Halifax):

1. Yes.
2. 21st December, 1942—$25,000.
3. $7,261.10.
4. No. 103 C.W.A.C. Depot Company.

*CANADIAN ARMY—MILITARY DISTRICTS NO. 12 AND 13

Mr. COLDWELL:

1. Has an investigation been conducted recently into alleged irregularities in the conduct of certain persons in military districts Nos. 12 and 13?
2. If so, are these alleged irregularities relative to the misuse of government purchasing vouchers?
3. Who is the officer in charge of the investigation?
4. What has been the result of this investigation and the nature of the misdemeanours, if any?
5. What action has been taken?

Mr. RALSTON:

1. Yes.
2. Yes, in most cases.
3. The officer in charge of the investigation was the adjutant-general and the quartermaster-general.

4 and 5. It is not considered in the public interest at this stage to state what the result of the investigation is. The result of the investigation and the action taken will appear as proceedings are taken which are regarded as warranted having regard to what has been found on investigation.

WARTIME HOUSING LIMITED—HALIFAX

Mr. ISNOR:

1. How many staff houses were constructed by the Wartime Housing Limited in Halifax, Nova Scotia, to accommodate men employed in war work?
2. How are they known or designated?
3. What was the total cost of, (a) construction; (b) furnishing of same?
4. How many men will each accommodate?
5. How many men were registered and actually occupied rooms as on December 31, 1943?

6. What rental and board is charged per man per week?
7. What has been the total cost of construction, furnishing and maintenance from date of erection to December 31, 1943?
8. What has been the total revenue for rental and board to December 31, 1943?

Mr. CHEVRIER:

1. 1 Seamen's manning pool;
1 Deep water commissary;
1 Port control building;
6 Staff houses and 1 commissary;
6 Staff houses and 1 commissary;
2 Staff houses at Eastern Passage;
1 Women's staff house at Eastern Passage;
5 Bunk houses and 1 commissary, hiring and dispatching building.

2. 1 Seamen's manning Pool, Halifax No. 4.
1 Commissary (deep water commissary for Department of Labour), Halifax No. 12.
1 Port control building (Department of Labour), Halifax No. 6.
6 Staff houses and 1 commissary (R.C.A.F.) Harbourview, Dartmouth No. 3.
6 Staff houses and 1 commissary (Wartime Housing Limited) Mulgrave Park, Halifax No. 3.
1 Staff house, Eastern Passage No. 3.
1 Staff house, Eastern Passage, No. 4.
1 Women's staff house, Eastern Passage No. 5.
5 Bunk houses and 1 commissary, also hiring and dispatching building, Halifax No. 10.

3.

	Cost of Construction	Cost of Furnishing and Equipment
1 Seamen's manning pool	$258,463 37	$35,033 51
1 Deep water commissary	17,500 00*	4,000 00*
1 Port control building	Cost paid by Department of Labour.	
6 Staff houses and commissary (R.C.A.F.)	311,524 94	35,087 25
6 Staff houses and commissary (Wartime Housing Limited)	291,068 38	63,570 30
1 Staff house (Eastern Passage)	34,150 00	3,283 40
1 Staff house (Eastern Passage)	33,976 00	3,954 09
1 Women's staff house and commissary (Eastern Passage)	56,200 00*	estimate not complete and includes furniture.
5 Bunk houses and 1 commissary	Cost paid by the C.N.R.	

*These figures are estimates.

4. Seamen's manning pool, port control building and staff houses for R.C.A.F. are not controlled by Wartime Housing Limited. There are no occupancy reports for these buildings in the possession of our department.

	Capacity
1 Deep water commissary	150 seats
6 Staff houses (Wartime Housing)	529 beds
2 Staff houses (Eastern Passage)	176 beds
1 Women's staff house (Eastern Passage)	60 beds

5. Out of the 705 beds available, as at December 25, 1943, 643 beds were occupied. The women's staff house is not complete.

6. Weekly rental rates, $5 single, $3.50 double. Weekly board rates, $6 per 21 meals.

7. $1,147,907.74.

NOTE.—The above figure does not include port control building (Halifax No. 6), the cost of which was paid by the Department of Labour and the five bunk houses and commissary built for the C.N.R. (Halifax No. 10).

8. Total revenue for rental and board to December 31, 1943, from opening of projects is $445,720.24 as operated by Wartime Housing Limited.

BEEF FOR SHIPMENT TO BRITAIN

Mr. CARDIFF:

1. From whom does the meat board purchase beef for shipment to Great Britain?
2. What is the basis upon which the price paid by the board is determined?
3. Has the price the producer receives any relationship to the price paid by the board?
4. Has the board succeeded in stabilizing the price to the producer by these purchases?

Mr. GARDINER:

1. The meat board purchases beef for shipment to Great Britain from any persons who can supply it as per specifications laid down by the board.

2. The price paid for beef by the board is based on a seasonally adjusted floor price for beef which ranges from two and one quarter to one quarter cents below the domestic ceiling, depending on the period.

3. Purchases of beef by the board provide a price support for cattle yielding carcasses of export quality, but the price for cattle is free to find its own level between the floor and the ceiling.

4. Export purchases by the board provide a floor price for beef meeting export specifications although there is nothing to prevent prices paid to producers for live cattle from fluctuating between the equivalent beef floor and ceiling values. Variations in dressing percentage may also have a marked influence on live cattle values.

COAL IMPORTS

Mr. HANSELL:

1. How much coal in, (a) tons; (b) Canadian dollar value, was imported into Canada in 1943?

2. From what countries, and what tonnage from each country?

Mr. MacKINNON (Edmonton West):

1 and 2. Canadian imports, by countries, of coal during the calendar year 1943:

Item	Country	Tons	Value
Anthracite screenings or dust	United Kingdom	13,502	$ 65,002
	United States	118,962	280,539
	Totals	132,464	$ 345,541
Anthracite, domestic sizes	United Kingdom	204,722	$ 1,554,190
	United States	2,974,460	23,589,868
	Totals	3,179,182	$25,144,058
Anthracite, smaller sizes, n.o.p.	United Kingdom	166,564	$ 1,039,534
	United States	1,002,075	4,389,422
	Totals	1,168,639	$ 5,428,956
Coal, bituminous, and coal, n.o.p.	United Kingdom	6,687	$ 46,251
	United States	23,216,375	68,995,964
	Totals	23,223,062	$69,042,215
Coal, lignite	United States	337	$ 1,487
Coal, ex-warehoused for ships' stores	United Kingdom	528	$ 3,168
	United States	404,710	1,280,030
	Totals	405,238	$ 1,283,198

PRICES—HOGS

Mr. McNEVIN:

What was the price of grade A hogs (dressed weight) on the Toronto live stock market on November 15, and May 15, in the years, 1929, 1932, 1943, and February 15, 1944?

Mr. MacKINNON (Edmonton West):

	1929[1 2]	1932[1 2]	1943[2 3]	1944[2 3 4]
	per cwt.	per cwt.	per cwt.	per cwt.
May 15	$17 84	$6 01	$16 80	....
November 15	15 36	5 22	17 15	....
February 15	....	....	....	$17 10

[1] Live weight prices basic grade converted to dressed basis.

[2] Plus $1 per head premium on grade A.

[3] Plus $1 per head provincial premium on grade A (total, $2 per head).

[4] Plus $3 per head dominion premium on grade A (total, $5 per head).

CANADIAN OFFICERS' TRAINING CORPS

Mr. DORION:

1. In order to be accepted in the C.O.T.C., must a student be classed in medical category "A", or can he be accepted when classed in a lower medical category?

2. Are members of the C.O.T.C. receiving any remuneration? If so, in what amount?

3. Are officers, military instructors and office employees of the C.O.T.C. receiving any remuneration. If so, (a) what is such remuneration; (b) out of what fund is it paid to them?

4. Have any or all of the members of the C.O.T.C. waived their remuneration? If so, (a) what is the amount of such waiver; (b) how are the moneys derived from such waiver disposed of?

Mr. MACDONALD (Halifax):

1. It was not necessary for a student (C.O.T.C.) to be classed in medical category "A". He could have been accepted in medical categories "A", "B" or "C" under the former system of categorization. With the abolition of medical categories he can now be accepted with Pulhems profile lower than that required for operational troops.

2. Yes. For the number of days authorized to train in any fiscal year, at the same rate as authorized for personnel of the Reserve Army; viz.

Colonel	$9 20
Lieutenant-Colonel	7 70
Major, if qualified as such	6 50
Captain, if qualified as such	5 20
Lieutenant, if qualified as such	3 60
Lieutenant provisional, or 2nd Lieutenant	3 00
Regimental Sergeant-Major	3 70
All other Warrant Officers, Class 1.	3 40
Regimental Quartermaster-Sergeant, Staff Quartermaster-Sergeant, Quartermaster-Sergeant, Squadron, Battery or Company Sergeant-Major	2 80
Squadron, Battery or Company Sergeant-Major (other than above)	2 50
Squadron, Battery or Company Quartermaster-Sergeant, Staff-Sergeant	2 20
Sergeant	1 90
Lance-Sergeant, Corporal or Bombardier	1 60
Lance-Corporal or Lance Bombardier	1 40
Private	1 20
Boy	0 60

For the year 1943-44 Canadian Officers' Training Corps were authorized to train as follows:

All ranks, 30 days.

Officers and N.C.O.'s, an additional 15 days where instructional duties make this necessary.

3. Yes. (a) If duly appointed or enlisted members of the C.O.T.C., for the number of days training carried out at the rate of pay for such rank as detailed in Question 2. If covering off vacancies on authorized detail of the administrative and training staff detailed for duty with a C.O.T.C., pay and allowances for full time at Active Force rates. (b) War Appropriation.

4. (a) Whilst article 86 of Instructions for Canadian Officers' Training Corps authorizes such waiving, this is purely a question for each C.O.T.C., and there is no information available as to how many members have waived their remuneration, or the amount of such waivers. (b) Paid into the Unit fund and used for the general benefit of members of each Unit, such as the purchase of articles for the comfort of the men which are not obtainable on issue and any other suitable Unit purpose the commanding officer sees fit. All such expenditures have to be properly accounted for and the fund is subject to semi-annual audit by the regimental funds board.

RADIO BROADCASTING—NEWS

Mr. MacKENZIE (Lambton-Kent):

1. Where are the C.B.C. newscasts in regard to the proceedings of parliament finally edited and prepared for broadcasting?
2. What are the names of the men and/or women who form the editorial news staffs of the C.B.C.?
3. Where are they stationed and what are their duties?
4. Where and by whom were they employed previous to appointment with the C.B.C. and what were their duties?
5. By whom were they appointed to the C.B.C.?
6. Who recommended their employment by the C.B.C.?
7. Where were they born?
8. What is their present remuneration?

Mr. LaFLECHE:

1. In Canadian Broadcasting Corporation newsrooms located in Toronto, Montreal, Halifax, Winnipeg and Vancouver. National Network bulletins, like the news summary at 10 p.m., are prepared in the CBC central newsroom in Toronto.

2, 3, 4 and 7. Chief Editor: D. C. McArthur, stationed in Toronto. Has general supervision of the news service. He was with the CBC press and information department before his appointment as chief editor. Prior to joining the CBC in 1939, he was with the Maclean Publishing Company in charge of magazine publicity. His daily newspaper experience was with the Toronto *Globe*. Born: Brooklyn, N.Y. Born of Canadian parents and returned to Canada as a child.

Central newsroom—Toronto—Senior Editor: A. E. Powley, now in England in charge of the CBC Overseas news bureau. Had twenty years news experience in Toronto with the *Mail and Empire*, the *Star* and the *Telegram*. He was telegraph editor of the *Telegram* at the time of his appointment to the CBC. Born: London, England.

W. H. Hogg: Acting Senior Editor; central newsroom in charge of bulletin production. Formerly with The Canadian Press, Toronto, and before that a reporter of the London *Advertiser*. Born: London, Ontario.

P. F. Carscallen: Associate Editor; formerly with the Calgary *Albertan* and the *Globe and Mail*, Toronto. Born: Calgary, Alta.

James Kinloch: Associate Editor; formerly with the CBC Press and Information depart-

ment; before that worked on the Toronto *Star;* the *Sunday Press* of London, England; Fort Frances *Times* and the Perth *Courier.* Born: Chorley, Lancs., England.

M. B. Smith: Associate Editor; formerly with the Winnipeg *Free Press* and the Moose Jaw *Times-Herald.* Born: St. Paul, Minnesota.

R. S. Bryden: Associate Editor; formerly with the Maclean Publishing Company, Toronto, on magazine publicity. Born: Windsor, Ont.

D. S. Curtis: Associate Editor; formerly with the Ottawa *Journal* as a news and sports writer. Born: Toronto, Ont.

Lawrence Duffey: Associate Editor; formerly with the CBC Vancouver newsroom. Before that, with the British United Press, Vancouver. Born: Vancouver, B.C.

Montreal newsroom—French Staff: Jean St. George: Acting Senior Editor; formerly reporter and editor with The Canadian Press, Montreal, and with *La Patrie.* Born: Montreal, P.Q.

G. F. Lefebvre: Associate Editor; formerly with *Le Canada, La Presse* and *Le Jour,* Montreal. Born: Lachine, P.Q.

B. Benoit: Associate Editor; worked on *L'Evenement, Le Journal,* Quebec, *Le Soleil,* Quebec and *La Presse,* Montreal. Born: Ste. Thérèse de Blainville.

L. J. A. Gravel: Associate Editor; formerly commercial editor with radio station CKAC, Montreal. Born: Gravelbourg, Sask.

R. Bourbonnais: Associate Editor; formerly with *La Patrie,* Montreal as reporter. Born: Cartierville, P.Q.

English Staff: Edward Dix: Senior Editor; formerly with the *Globe,* Toronto, Maclean's magazine, Daily *Star,* Toronto, and the Calgary *Albertan.* Born: Martinique, West Indies.

Harry Shane: Associate Editor; formerly with The Canadian Press, Montreal, and Canadian Financial Bureau, Montreal. Born: Saint John, N.B.

Halifax—V. F. Segee: Senior Editor; formerly with the Fredericton *Mail,* Saint John *Citizen;* was radio news editor of radio station CFNB, Fredericton, and also worked with the British United Press, Toronto. Born: Fredericton, N.B.

Margaret MacDonald: Associate Editor; formerly secretary with the Canadian Press, Halifax. Born: Calgary, Alta.

J. G. Murphy: Associate Editor; formerly an editor and feature writer for the Saint John *Citizen.* Born: Saint John, N.B.

[Mr. LaFleche.]

Winnipeg—W. H. Metcalfe: Senior Editor; formerly city editor and telegraph editor, Winnipeg *Free Press.* Born: Portage la Prairie, Man.

Harold Robson: Associate Editor; on army service before joining CBC staff. Before that, on newspaper reporting with the Peterborough *Examiner* and the Staffordshire *Sentinel* in England. Born: Leeds, Yorks., England.

Helen Sinclair: Junior Editor; no previous newspaper experience; a graduate of the University of Manitoba. Born: Wingham, Ontario.

Vancouver—R. E. Elson: Senior Editor; formerly re-write and radio editor with The Canadian Press, Vancouver. Born: Aberdeen, Wash., born of Canadian parents and returned to Canada as a child.

J. D. Nixon: Associate Editor; formerly radio news editor with CJCA, Edmonton. Born: Mortlach, Sask.

W. D. Smith: Associate Editor; formerly free-lance radio and newspaper writer. Born: England.

E. A. McLellan: Junior Editor; no news experience, except in the Vancouver newsroom. Born: New Westminster, B.C.

5. They were appointed to the CBC by the general manager.

6. Their appointment to the CBC was recommended to the general manager by the general supervisor of programmes, on the advice of the CBC chief news editor.

7. See above.

8. This information has not been made public in the past, as it was not deemed in the public interest to do so.

SOLDIER SETTLERS—ALBERTA

Mr. BLACKMORE:

How many veteran soldier settlers of the 1914-1918 war were evicted from their farms in Alberta during each of the years 1940, 1941, 1942, 1943?

Mr. CRERAR: 1940, nil; 1941, two; 1942, nil; 1943, two.

WESTERN FEED GRAIN

Mr. BLACKMORE:

Has the government taken any measures to avoid the development of a shortage of feed grain in western Canada and particularly in southern Alberta, arising out of the shipment of grains to eastern Canada?

Mr. GARDINER: No representations indicating a shortage of feed grain in western Canada have been made to the Department of Agriculture, but the situation is being watched in different areas.

FRUIT BASKETS AND VEGETABLE CONTAINERS

Mr. CORMAN:

1. What supplies are available for the manufacture of fruit baskets and vegetable containers for 1944?

2. What arrangements have been completed between the government and the container manufacturers so that the growers can be supplied with these containers for the coming large crop?

Mr. ABBOTT:

1. Normal supplies of raw materials are available for the manufacture of fruit and vegetable veneer packages. Assistance is being given by the administrator to maintain a supply of raw materials for basket production where manufacturers are unable to obtain supplies for themselves.

2. For the year 1943 the production of fruit and vegetable baskets reached record levels. So far, for this season, which is deemed to have begun on November 1, 1943, production has continued through the winter months while last winter basket manufacturers were practically shut down.

The manufacture of fruit packages is under a subsidy arrangement which ensures the manufacturers adequate operating profit margins.

Active assistance is also being given to enable the supply of labour to be maintained at proper levels.

There are limits to the quantity of veneer fruit and vegetable containers that can be produced with existing facilities. Everything possible is being done to ensure maximum production for this season.

The potential supply situation might be summed up as follows:

(1) The carryover of baskets into 1944 by the growers was much larger than is normally the case due to the poor crop in 1943 and peak basket production in that year.

(2) The manufacture of baskets through the winter months this year together with increased raw material production facilities, would seem to indicate a probable increased production of baskets for the 1944 season of about twenty per cent as compared with 1943.

SHIPMENTS OF ALUMINUM

Mr. CHOQUETTE:

1. From the 10th September, 1939, to the 7th December, 1941, has Canada delivered any aluminum, either unmanufactured or manufactured, to other countries than Great Britain, the British dominions and the United States?

2. If so, to what countries has aluminum originating from plants in Canada, been delivered?

3. What quantity and of what value, to each country, and what were the dates of said deliveries?

Mr. MacKINNON (Edmonton West):

1, 2 and 3.

(As exports have many varied forms such as ingots, sheets, utensils, etc., only the total dollar value is given and not the quantity.)

Exports of Aluminum (except to United Kingdom, British Possessions and United States) during periods specified.

Country.	Sept. 1 to Dec. 31, 1939	Calendar year 1940	Jan. 1 to Nov. 30, 1941
Argentina	$ 976	$ 1,058	$ 337
Brazil	103,454	99,694	—
Chile	11,977	3,019	39
China	63,165	350,150	—
Colombia	5,564	44,243	233
Costa Rica	—	834	70
Cuba	1,411	—	—
Egypt	—	4,661	5,839
France	617,977	4,753,735	—
Greece	—	639	—
Guatemala	—	1,273	2,024
Honduras	10	1,470	1,315
Iraq	—	—	8,219
Japan	2,190,444	824,770	—
Mexico	6,153	25,933	21,610
Netherlands	95,202	52,139	—
Netherlands East Indies	7,940	300,935	177,078
Norway	—	1,150	—
Peru	380	996	—
Russia	—	—	807,743
Salvador	—	452	—
Siam	—	82,545	29,995
Sweden	40,136	16	—
Switzerland	11,473	—	—
Venezuela	9,677	4,126	36

PRICES—WHEAT, OATS, ETC.

Mr. FAIR:

1. What was the street price of No. 1 Northern wheat at stations taking a 25-cent freight rate in western Canada on December 16, 1919?

2. What was the street price of No. 1 C.W. white oats at stations taking a 25-cent freight rate in western Canada on December 16, 1919?

3. What was the street price of No. 1 C.W. 6-row barley at stations taking a 25-cent freight rate in western Canada on December 16, 1919?

4. What was the street price of No. 1 flaxseed at stations taking a 25-cent freight rate in western Canada on December 16, 1919?

5. What was the street price of No. 1 C.W. rye at stations taking a 25-cent freight rate in western Canada on December 16, 1919?

Mr. MacKINNON (Edmonton West):

Grade	Price per Bushel	Remarks
1. No. 1 Northern wheat.....	....	No wheat grades quoted.
2. No. 2 C. W. oats.....	$0 76	No. 1 C. W. oats not quoted.
3. No. 3 C. W. barley.....	1 34	No. 1 C. W. 6-row not quoted.
4. No. 1 N. W. C. flaxseed.....	4 68	No. 1 C. W. flaxseed not quoted.
5. No. 2 C. W. rye.....	1 41	No. 1 C. W. rye not quoted.

SELECTIVE SERVICE—TRANSFERS AND WAGE REDUCTIONS

Mr. MacKENZIE (Lambton-Kent):

1. Were charges made in a circular dated November 16, 1943, addressed to members of parliament, municipal officials and others by J. W. Gilbert, Hanover, Ontario, that employers had taken advantage of compulsory labour transfer orders of national selective service, to reduce wages?

2. If so, was an investigation made into the charges?

3. What was the result of such investigation?

Mr. MITCHELL:

1. Yes. Mr. Gilbert made two complaints concerning the administration of the national selective service civilian regulations.—

(1) That, under the compulsory employment transfer orders, married men engaged in non-essential work were directed by the employment and selective service office, Walkerton, Ont., to apply for and accept essential employment at lower wage rates;

(2) That a certain employer in Hanover, Ont., (later identified as William Knechtel & Son, Limited) had "taken advantage of the compulsory selective service transfer of employees from non-essential work to lower his pay for beginners" from 36c per hour (cost of living bonus included) in September, to 31c per hour (cost of living bonus included) in November, 1943.

2. Yes, a very complete investigation.

3. The result of the investigation indicated that Mr. Gilbert based his complaints on mere hearsay without making any attempt to verify the information or to secure an understanding of the national selective service civilian regulations involved.

With regard to the first complaint, only one married man was directed to and ordered to accept employment by the employment and selective service office at Walkerton under the compulsory employment transfer orders. This man was not directed to the William Knechtel & Son, Limited, of Hanover, referred to in the second complaint. Furthermore, this man, upon being directed under the compulsory employment orders, received a wage rate of 3c per hour more from the employer to whom he was directed than he did from his former employer. In addition to this, he was directed to employment where he was able to work a greater number of hours per week than he had been working in his original employment. The charge with respect to the transfer of married men is, therefore, unsubstantiated.

In answer to the second complaint, no persons, either single or married, have been directed to employment with the Knechtel & Son, Limited, referred to. It is true that a number of men have been referred to this employer in accordance with the national selective service civilian regulations. Regarding the rate of wages paid by this firm, the records indicate that from August 1 to the present time every new employee hired received an initial wage rate of 30c per hour, plus 60c per week cost of living bonus. It is wholly untrue and contrary to the facts that the administration of the national selective service civilian regulations made it possible for this employer to lower the wage rate being paid to new employees.

AUDITOR GENERAL'S REPORT—PROFIT OF 40 PER CENT ON CONTRACT

Mr. KNOWLES:

1. If the profit of 40 per cent on cost as disclosed by the cost audit on the contract referred to in item 163 on page 50 of the auditor general's report for the year 1942-43 has been explained, what is the explanation?

2. If adjustment has been made in connection with this item, what are the terms of said adjustment?

Mr. CHEVRIER: Upon receipt and consideration of the audit report, this contractor who operates a very small business was requested to make a refund reducing the profit. As a result, the company submitted financial statements to show that their annual sales were less than $50,000 and that the profit before considering salary for the proprietor was approximately 10 per cent.

Under the circumstances, it was not considered desirable to press for immediate payment of the refund since to do so would seriously embarrass the company financially and impair its usefulness in filling further contracts. Negotiations are being carried on with a view to final adjustment on an overall basis.

BENTONITE

Mr. WINKLER:

1. Is the mineral known as bentonite being imported into Canada at the present time?

2. If so, what customs or other border-crossing charges are made?

3. What inducement, if any, has been given to bentonite producing companies in Canada to enable them to meet the increased demand by Canadian war industries?

Mr. CHEVRIER:

1. Yes.

2. Bentonite enters Canada duty free but the 10 per cent special war tax applies and 8 per cent sales tax if applicable.

3. Bentonite has never been in short supply. No inducement has been offered to Canadian producing companies.

HONEY

Mr. MATTHEWS:

What amount of honey was produced in each province of Canada during the years 1940, 1941, 1942, 1943, and what was its total approximate value in each year?

Mr. MacKINNON (Edmonton West):

		1940	1941	1942	1943*
Prince Edward Island					
Production	lb.	18,900	12,200	33,500	20,000
Value	$	2,100	1,500	4,700	
Nova Scotia					
Production	lb.	78,200	82,600	78,000	55,000
Value	$	11,700	13,200	14,100	
New Brunswick					
Production	lb.	124,000	124,800	225,000	168,800
Value	$	17,400	17,500	36,000	
Quebec					
Production	lb.	3,112,300	3,042,600	4,026,900	5,000,000
Value	$	373,500	431,800	676,700	
Ontario					
Production	lb.	9,500,000	12,000,000	7,800,000	19,212,000
Value	$	902,500	1,260,000	975,000	
Manitoba					
Production	lb.	3,669,900	4,970,000	3,142,000	3,750,000
Value	$	330,300	497,000	377,000	
Saskatchewan					
Production	lb.	3,682,000	2,966,500	4,947,100	6,400,000
Value	$	385,100	347,900	620,400	
Alberta					
Production	lb.	2,222,000	3,120,000	2,500,000	3,850,000
Value	$	244,400	374,400	362,500	
British Columbia					
Production	lb.	1,264,000	1,169,000	1,333,600	1,275,800
Value	$	214,900	210,400	280,100	

*Preliminary.

1943 value figures not available.

PAYMENTS TO ADVERTISING AGENCIES

Mr. ROSS (St. Paul's):

1. What method is employed in placing the classified advertising in the daily newspapers for the national selective service and unemployment insurance departments in the city of Toronto, and how are payments made?
2. Are any agents or agencies employed for this purpose?
3. If so, (a) how are they remunerated; (b) what is the basis of remuneration; (c) what payments have been made to each of such agencies?

Mr. MITCHELL: As a matter of policy the employment office of national selective service at Toronto does not secure the insertion of classified advertising.

Since the office opened one or two classified advertisements only have been paid for by the office at a total cost of less than $5. These were placed direct—not through an advertising agency.

FARM LOAN BOARD

Mr. McCUAIG:

1. How many loans were made in Ontario by the Canadian farm loan board in each fiscal year from March 31, 1940, to March 31, 1943?
2. What was the total amount of loans made in the said province during each of these years?
3. How many applications for loans in the province of Ontario were disposed of in the fiscal year ending March 31, 1943, and how were the applications not granted disposed of?
4. How many persons were employed in the Toronto office in the fiscal year ending March 31, 1943?
5. What was the total cost of the administration of the farm loan board in Ontario for the said fiscal year?
6. How much was collected from the farmers for inspection fees for the said fiscal year?

Mr. ABBOTT:

The following answer is submitted by the Canadian Farm Loan Board:

1 and 2.

Year Ending 31 March	Loans Granted in Province of Ontario	
	No.	Amount
1941	288	$621,450.
1942	158	327,300.
1943	108	272,500.

3. During the fiscal year ended 31st March 1943, 265 applications for loan in the Province of Ontario were disposed of as follows:—

108—Approved for loan
157—Withdrawn, cancelled or rejected
33—Still pending as at March 31, 1943

4. 17 as of April 1, 1942
13 as of March 31, 1943

5. $45,630.33 (Includes salaries $28,959.97 and proportion of head office expenses $10,365.79). Total cost of administration of the Ontario office for the fiscal year ended March 31, 1943 was .985 per cent of total investment.

[Mr. J. A. MacKinnon.]

6. $2,485 of which $695 was refunded to applicants.

JAPANESE NATIONALS

Mr. MITCHELL: On February 14, 1944, at page 428 of *Hansard* I gave a partial answer to a question standing in the name of the hon. member for Peterborough West (Mr. Fraser) on page i of the *Votes and Proceedings* of the house, No. 10, February 9, 1944, in regard to Japanese nationals. I should now like to give the complete answer to this question:

Mr. FRASER (Peterborough West):

1. How many Japanese have been removed from the province of British Columbia to other provinces?
2. To what provinces have they been removed, and how many to each province?
3. Of those removed to the province of Ontario, how many are naturalized?
4. How many of these are entitled to vote in federal elections?
5. Of these, how many are in each riding (federal) in Ontario?

Mr. MITCHELL:

1. 6,480, including women and children.
2. Alberta, 2,880; Saskatchewan, 57; Manitoba, 1,011; Ontario, 2,234; Quebec, 298.
3. 136.
4. Such of the above as qualify under the Dominion Elections Act 1938, section 14.
5. Number of naturalized Japanese Canadians in each federal riding in Ontario:

Algoma West	3
Brant	3
Broadview	3
Cochrane	5
Eglinton	1
Elgin	8
Kent	6
Kingston City	2
Lambton-Kent	1
Lanark	1
Lincoln	11
Middlesex East	6
Peel	5
Port Arthur	12
Rosedale	6
St. Paul	27
Spadina	14
Trinity	11
Waterloo South	1
Welland	3
Wentworth	13
York East	2
York North	1
York South	3
Total	148

(Of the 148 naturalized Japanese Canadians as listed above, 136 were evacuated from the protected areas of British Columbia as mentioned in reply to section 3 of this question.)

QUESTIONS PASSED AS ORDERS FOR RETURNS

RADIO BROADCASTING—ALLOTMENT OF CHANNELS TO CANADA

Mr. ROSS (St. Paul's):

Under the North American regional broadcasting agreements of 1941, known as the Havana agreements: 1. How many class 1A, 1B, II, III, IV channels were allotted to Canada?

2. What is the frequency of each?

3. What is the minimum and maximum power of each channel?

4. How many of them are now occupied?

5. What stations occupy them?

6. What power are they using?

7. What channels are exempted from the use of minimum power?

8. What stations since 1939 have applied for an increase of power, and what power was applied for, and what power increase was granted?

9. Has application been made since 1939 for the use of unoccupied channels?

10. If so, what power was applied for?

11. What is the minimum power of the unoccupied channels?

12. What stations have applied for permits to experiment or otherwise in frequency modulation, television, facsimile?

13. Have any permits been granted?

MOBILIZATION ACT—OCCUPATIONAL CLASSIFICATIONS

Mr. POULIOT:

How many men from each province were previously engaged in any one of the following industries before joining the army as G.S. soldiers or N.R.M.A. soldiers, (a) farming; (b) fishing; (c) lumbering; (d) mining; (e) shipbuilding; (f) aircraft production; (g) ammunition and gun production; (h) arsenals and small arms ammunition production; (i) automotive and tank production; (j) chemicals and explosives production; (k) gauge and cutting tool production; (l) petroleum refineries; (m) railways and telegraph lines; (n) construction and repair of locomotives and railway cars and maintenance of the right of way of the railways; (o) other transportation systems (air, tramways and trucks); (p) power companies (excluding tramway conductors); (q) dominion public service; (r) merchant marine; (s) the pulp and paper industry; (t) the textile industry (including the manufacture of military equipment); (u) the steel industry; (v) the rubber industry; (w) the leather industry; (x) the operation and repair of telephone lines; (y) the manufacture of alcohol for war purposes; (z) newspapers and periodicals?

BRITISH COLUMBIA FRUITS AND VEGETABLES—FERTILIZER

Mr. CRUICKSHANK:

1. Of the production of, (a) strawberries; (b) raspberries; (c) canning corn; (d) canning beans; (e) canning peas, in British Columbia in 1943, what percentage was produced west of the Cascades?

2. What is the estimated crop of the above-mentioned products for the current year in this area?

3. What is the rate of subsidy to be paid this year on fertilizer, (a) east of the Cascades in British Columbia; (b) west of the Cascades?

SELECTIVE SERVICE—LINOTYPE OPERATORS

Mr. ROSS (Souris):

1. How many applications have been made to national selective service by linotype operators for positions from July 1, 1943, to February 1, 1944, by provinces?

2. How many applications have been made to national selective service by publishers for linotype operators from July 1, 1943, to February 1, 1944, by provinces?

3. How many linotype operators have been placed by national selective service in the province of Manitoba from July 1, 1943, to February 1, 1944?

4. Who have they been placed with?

PENITENTIARIES—BORSTAL SYSTEM

Mr. CHURCH:

1. What has been done to install Borstal system in Canada's prisons since the report of the prison commission was received?

2. How many of the ages of 15, 16, 17, 18 and 19 are now confined in each federal prison, and where?

3. What recommendations of the said royal commission's report aforesaid have already been adopted?

BUSINESS OF THE HOUSE

EASTER ADJOURNMENT

On the orders of the day:

Mr. GORDON GRAYDON (Leader of the Opposition): I should like to ask the Prime Minister if he could indicate to the house when he expects to be in a position to make a statement concerning the Easter recess.

Right Hon. W. L. MACKENZIE KING (Prime Minister): My hon. friend was kind enough to inform me that he intended to ask this question to-day, and I will seek to oblige him and the house by giving an answer immediately. The government proposes to have an adjournment of a fortnight at Easter. The house will adjourn, if it gives its consent, on the evening of Friday, March 31, and will reassemble on Monday, April 17. It will be noticed that by this arrangement no less than six of the days of the recess will be either Saturdays or Sundays.

ALUMINUM

REDUCTION OF PRICE BY ALUMINUM COMPANY OF CANADA

On the orders of the day:

Mr. GORDON GRAYDON (Leader of the Opposition): I wish to ask the Minister of Munitions and Supply a question, notice of which I have given him already. I understand

he announced through the press on Tuesday last that a reduction in the price of aluminum sold by the Aluminum Company of Canada had been effected by agreement between the company and the government. If this agreement has been reduced to writing, will the minister table it in the house? If the agreement has not been reduced to writing, will the minister indicate to the house the principal terms thereof, and particularly what price reduction has been agreed upon?

Hon. C. D. HOWE (Minister of Munitions and Supply): I received notice of this question just as I was coming into the house. The fact of the matter is that the reduction was a voluntary reduction by the company, of which I was informed by letter. I shall be glad to table the letter on another occasion.

Mr. GRAYDON: Will it give the price?

Mr. HOWE: Yes.

MEDICAL SERVICES

INQUIRY AS TO PROPOSALS FOR SUPPLY OF PHYSICIANS IN RURAL AREAS

On the orders of the day:

Hon. H. A. BRUCE (Parkdale): May I direct a question to the Minister of National Defence, as to whether the department has made plans for the supply of physicians in the rural sections of the dominion? If so, what are these plans, and are they of a temporary or permanent nature? I will let the question stand as a notice.

Mr. SPEAKER: That is a question which should be placed on the order paper.

WHEAT

REFUND OF PORTION OF SUBSIDIES PAID TO FLOUR MILLERS

On the orders of the day:

Hon. J. A. MacKINNON (Minister of Trade and Commerce): Mr. Speaker, I wish to make a brief statement supplementing my reply to a question asked by the hon. member for Souris (Mr. Ross) on wheat used by millers. My original reply appears on pages 1043 and 1044 of last Thursday's *Hansard,* and while my reply was correct so far as it went, I omitted to mention that under order in council P.C. 6602, dated August 19, 1943, flour millers are required to refund to the commodity prices stabilization corporation, for account of the Canadian wheat board, all subsidies contributing to profits taxable at 100 per cent under the Excess Profits Tax Act.

While the exact amount, of course, cannot yet be determined, the effect of the provision I have just mentioned will be that a substantial proportion of the payments being made to mills on their domestic flour millings will be eventually returned to the government, and the government will not be required to refund to the millers after the war the twenty per cent as provided under the Excess Profits Tax Act on such moneys.

DOUKHOBORS

QUESTION OF COMPLIANCE WITH SERVICE AND OTHER REGULATIONS

On the orders of the day:

Mr. W. K. ESLING (Kootenay West): In view of recent demonstrations, may I ask the Minister of Labour whether he is considering or has completed the formulation of method for dealing with Doukhobors who ignore the alternative service regulations or who disobey other Canadian authorities?

Hon. HUMPHREY MITCHELL (Minister of Labour): Mr. Speaker, the hon. member for Kootenay West has again raised the thorny question of the Doukhobors. I appreciate the interest he has taken in this problem. May I say to him that in a big way the Doukhobors in Saskatchewan are complying with the regulations, and most of them have appealed on grounds of being conscientious objectors and have been directed to alternate employment.

Mr. GRAYDON: Could the minister speak just a little louder?

Mr. MITCHELL: Well, if some hon. members would stop talking perhaps my hon. friend could hear what I am saying.

Mr. GRAYDON: A combination, I think.

Mr. MITCHELL: That may be true, too. In British Columbia, I am frank to admit, the situation is not as good as it is in Saskatchewan. At the moment the regulations are being tightened up and investigation is being made by the Royal Canadian Mounted Police and the provincial police of British Columbia.

LABOUR CONDITIONS

WARTIME WAGES CONTROL ORDER

On the orders of the day:

Mr. A. R. ADAMSON (York West): May I address a question to the Minister of Labour? When may we expect to have the revised wartime wage control order communicated to the house?

Hon. HUMPHREY MITCHELL (Minister of Labour): My hon. friend will know in due course, when the government decides upon it.

Mr. ADAMSON: Is order in council P.C 9384 now in effect?

Mr. MITCHELL: I think my hon. friend knows as well as I do. — Yes.

Mr. ADAMSON: It is?

Mr. MITCHELL: I should like to inform my hon. friend that notwithstanding all the criticism, we have had no difficulty whatever with the operation of that order in council.

Mr. GRAYDON: That does not mean that the minister is not going to alter it, I hope?

Mr. MITCHELL: No, absolutely not. I want to make that clear.

MAPLE SYRUP

INQUIRY AS TO CONTROL OF SALES

On the orders of the day:

Mr. LIGUORI LACOMBE (Laval-Two Mountains): I wish to direct a question to the Minister of Finance or his assistant. Will the producer of maple syrup or maple sugar be obliged this year to demand coupons from the consumer when he sells to him directly his products?

Mr. SPEAKER: That question, I think, should be put on the order paper.

CANADIAN ARMY

DECORATIONS FOR GALLANTRY

On the orders of the day:

Mr. JEAN-FRANÇOIS POULIOT (Témiscouata): Following the precedent set last year by my hon. and esteemed friend the member for Waterloo North (Mr. Breithaupt) when he mentioned the decoration that had been awarded to Lieutenant-Colonel C. C. Merritt, V.C., after the Dieppe raid, it is my privilege to-day, sir, to mention again to the house the signal honour which has been bestowed on Major Paul Triquet, V.C., of Cabano, Témiscouata, P.Q. In the whole world there is a feeling of admiration for the hero, and we of the united nations take special pride in recalling that he is the second Canadian to receive such a coveted decoration from the hands of His Majesty during this war.

Very often, in the schools, young people are told of Leonidas at Thermopylae. They should be taught modern history. If they are told about Leonidas, they should know also of Merritt and Menard at Dieppe, of Triquet at Casa Berardi in Italy, and all the heroes of our time who have been awarded decorations for their gallantry. That should be done by way of recognition of what these men have achieved, and in recognition as well of the unknown soldier.

I have two suggestions to offer. The first is that all citations giving the reasons why awards for gallantry have been granted should be sorted, and if all citations are not sent to each school, at least the citations regarding the men of each constituency should be sent to each school of that constituency in order to inform young children of what has been done by gallant Canadians during this war.

My other suggestion is a very practical one, and here again we have the example of Westminster in the matter of parliamentary grants which were awarded to Nelson, to Wellington and to all the great leaders of the navy and of the army. Moreover, we have the example set by this parlaiment, with regard to Sir Arthur Currie. In my humble view there should be a tax-free parliamentary grant to each living holder of the V.C. which would enable him to live independently.

I submit these suggestions, sir, and I take this opportunity to congratulate the family of Major Paul Triquet, V.C., on the signal honour which has been conferred upon him and which is shared by all his men.

Mr. SPEAKER: The remarks of the hon. member have raised a question in my mind. All hon. members of this house will probably in the future find themselves in the same position as the hon. gentleman, in that they will wish to call attention to the bravery, and the consequent decoration, of men in their respective constituencies. If the precedent that is set to-day is not followed on subsequent occasions I shall perhaps be in the position of having to differentiate between hon. members. I should like therefore to have the sense of the house in the matter. My own opinion is that the government should of itself do the proposed honours to soldiers who may be decorated for having distinguished themselves in the war, and that this should be sufficient for the house. Otherwise I shall be faced with this question throughout the session.

WAR APPROPRIATION BILL

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

The house resumed from Monday, March 6, consideration in committee of a resolution to grant to His Majesty certain sums of money for the carrying out of measures consequent upon the existence of a state of war—Mr. Ilsley—Mr. Bradette in the chair.

DEPARTMENT OF NATIONAL DEFENCE FOR NAVAL SERVICES

Hon. ANGUS L. MACDONALD (Minister of National Defence for Naval Services): Mr. Chairman, for the fourth time I come to the House of Commons with a request for the moneys which the Department of Naval Services estimates as necessary to carry on its work for the coming fiscal year, and I should like now to place on *Hansard* a table, or rather part of a table, that was presented to the house by the Minister of Finance (Mr. Ilsley) on February 11, when he introduced the war appropriation bill. This partial table shows the estimated amounts required by the naval service for the current fiscal year and the amounts asked for the next fiscal year.

Department of National Defence
NAVAL SERVICE
Comparison of 1943-1944 and 1944-1945 Estimates

Objects of expenditure	Estimates 1943-1944	Estimates 1944-1945	Increase	Decrease
1. Civil salaries	$ 6,192,054	$ 6,511,987	$ 319,933	.....
2. Pay and allowances	89,565,119	114,698,835	25,133,716	.....
3. Travel, transportation and freight	6,978,000	9,794,479	2,816,479	.....
4. Properties—				
(A) Capital expenditure	36,579,608	17,990,462	.....	$18,589,146
(B) Repairs, operating expenses and rentals	6,267,182	6,715,891	448,709	.....
5. Personnel supplies and services: Food, medical and dental stores, clothing and personal equipment.	22,015,072	27,846,280	5,831,208	.....
6. Signal and wireless equipment, land line construction, etc.	4,592,188	19,759,334	15,167,146	.....
7. Ammunition	14,245,890	23,835,200	9,589,310	.....
8. Armament stores	42,415,548	26,458,650	.....	15,956,898
9. Fuel cost of ships	25,257,798	27,806,604	2,548,806	.....
10. Acquisition, construction, charter, repair and upkeep of ships	167,571,202	82,282,000	.....	85,289,202
11. Naval stores and harbour defences: Small boats, minesweeping, degaussing, anti-submarine, fire-fighting and training equipment.	57,651,110	34,678,967	.....	22,972,143
12. Miscellaneous stores and services: Printing, stationery, laundry, office machinery, teletype rental, etc.	6,552,959	8,873,210	2,320,251	.....
13. Sundries: Postage, pilotage, prize funds and other costs not included in above items	3,261,237	2,748,101	.....	513,136
				$143,320,525
			$64,175,558	64,175,558
	$489,144,967	$410,000,000		$79,144,967

It will be observed that for the present year we estimated an expenditure of $489,000,000, in round figures. It is now certain that we shall not reach that figure. It is likely that the expenditure for the present fiscal year will be in the neighborhood of $410,000,000, or about the same as the expenditure estimated for the next fiscal year.

At such a time as this one is tempted to look back into other years and to compare the general situation of to-day with the conditions of other times. In 1941, when I first presented the estimates of this department to the house, the general position of our arms was highly precarious. The British commonwealth stood alone, the battle of Britain still raged, air assaults of great fierceness and magnitude had been launched against that

[Mr. Speaker.]

island; and even as I spoke three years ago her cities, her factories, her ports, yes, her ancient monuments even were being subjected to heavy and bitter attack from the air. The battle of the Atlantic, or the campaign of the Atlantic as it should more properly be called, was still in a most critical and indecisive stage, and the island fortress of Britain, whose very existence depended on the successful issue of that struggle, was threatened with disaster. Only a few months before, Mr. Churchill said, in a passage remarkable, even among Churchillian utterances, for its eloquent beauty:

> And now it has come to us to stand alone in the breach, and face the worst that the tyrant's might and enmity can do. Bearing ourselves humbly before God, but conscious that we serve an unfolding purpose, we are ready to defend our native land. We are fighting by ourselves alone; but we are not fighting for ourselves alone. Here, in this strong city of refuge which enshrines the title deeds of human progress and is of deep consequence to Christian civilization; here, girt about by the seas and oceans where the navy reigns; shielded from above by the prowess and devotion of our airmen—we await undismayed the impending assault.

By 1942 the forces of the British commonwealth had been joined by the great armed strength of Russia and the United States; but, on the other hand, the formidable fleets and armies of Japan had been ranged against us.

The struggle on the Atlantic assumed a more direct and sinister form for us in Canada when, in that same year, German submarines penetrated into the gulf and lower reaches of the St. Lawrence and there sank merchant ships and warships.

The year 1943 began with loudly-voiced and widely heralded threats by the new supreme commander of the German navy, Admiral Doenitz, an officer of very considerable submarine experience, who spoke confidently of new weapons and plans of attack which would disrupt our sea communications with Europe, and inflict great losses on our ships of war. But the predictions of Admiral Doenitz still stand in the realm of unfulfilled prophecy rather than in the world of solid achievement. The year that has passed marked the most successful defence ever made by our ships of war, both surface ships and air, against the attacks of submarines; and it saw the greatest number of submarine destructions ever recorded in a similar period. The Atlantic campaign is not yet won, but no one can deny that the tide of that campaign turned definitely in our favour during the year.

U-boat destruction. Well over two hundred enemy U-boats were destroyed in 1943, most of them German, but some of them Japanese and some of them Italian. In the war of 1914 to 1918 the total number of enemy submarines destroyed was just short of two hundred. Thus in the year 1943 alone the destruction of enemy submarines was greater than in the whole period of the last great war. This destruction of U-boats is of twofold beneficial effect to us. Every U-boat destroyed takes with it either to the bottom of the sea or as prisoners on allied warships the skilled enemy captains and officers on whose training and courage so much of the success of U-boat warfare depends. It also deprives the enemy of one more weapon to be used in his war against our shipping.

I come now to a point which I think is deserving of mention. In 1942, as I have said, German U-boats ranged far afield and reached the coastal waters of Canada. There immediately arose in certain quarters of this country loud demands for the redisposition of the Canadian navy. There were those who urged that the Canadian navy should be disposed in the Cabot strait, in the strait of Belle Isle and in the gulf of St. Lawrence, there to await submarine attacks. Under this arrangement, of course, we would have to rely on some other navy to protect those ships, our own Canadian ships and ships of allied nations, while they were carrying Canadian food and Canadian war supplies on the high seas. Nevertheless that was the arrangement that certain people in this country wished to see put into effect.

Those responsible for our naval strategy however held strongly to the view that while we should give protection to our own shores and coastal waters, and while certain ships should be maintained in those localities for that purpose, nevertheless Canadian ships of war operating anywhere on the Atlantic were a protection not only to our shipping but to our shores as well. And so the Canadian navy went on with its assistance in the great work of convoying allied merchant ships and attacking enemy submarines wherever such attacks presented themselves.

In the year 1943 not a single German submarine made an attack in the gulf or river St. Lawrence. The reason for the immunity which we enjoyed last year is to be found, I think, in the fact that Canadian and allied warships and planes met and attacked the U-boats far out in the Atlantic, and those under-sea marauders had little opportunity of making attacks close to our coasts.

The Atlantic campaign has gone much more successfully in the past year than in previous years, but it is a mistake, a great mistake,

to think that it has been won. I have always held the view that no matter what may happen in any other theatre of war Germany must continue her attacks on our shipping to the end. She may be driven out of Africa or out of Sicily and yet she can continue to fight on strongly. But when it comes to pass that Germany lacks the strength or the inclination to attack our shipping, then we shall know that she is ready to throw in her hand. For she knows of a certainty how important, how vital is the line between these shores and Europe, and one of her greatest hopes for victory must lie in the breaking or disruption of that line.

The Atlantic campaign has gone well for us because of the increased strength of allied naval and air forces in that ocean and because of the effective cooperation between these forces. Shore based aircraft, carrier based aircraft, have proved to be most important factors in this struggle, not alone because of their own striking power but also because of their ability to detect and report the presence of enemy underwater craft.

Shipbuilding. I come now to the question of shipbuilding, and I shall show that the increased strength of allied naval forces comes as a result of the magnificent efforts made by the managers and workers in the shipyards of the allied nations. Despite losses, the service navies of Great Britain, the United States and Canada are definitely and decidedly greater in strength than they were at the beginning of the war. All losses of fighting ships have been more than replaced.

In a few moments I shall come to deal with the production of warships in Canadian yards, but I may say at this moment that by far the greater number, indeed almost the entire number, of our fighting ships have been built in Canadian yards by Canadian workmen out of Canadian materials. When war broke out the shipbuilding industry in Canada could be described as virtually non-existent. A few shipyards existed on our east and west coasts and on the shores of our great lakes and on the river St. Lawrence; but they had become mainly ship repair yards, and probably there were not five thousand men in all Canada in the shipbuilding and ship repair industry. From these small beginnings the Department of Munitions and Supply has succeeded in developing a shipbuilding industry whose efforts have amazed the world. So far as ships of war are concerned, at first we had to import much of the material required, much of the steel for the hulls, the auxiliary machinery and other apparatus necessary for the equipment and operation of ships of war.

Probably it would be true to say that our first ships were not more than 50 per cent Canadian manufacture. But we have advanced far beyond that stage of dependence upon other countries. To-day the ships of war building in Canadian yards, in their material, their machinery, their guns and other equipment, are about 95 per cent a Canadian product. These figures, I think, speak eloquently of the successful efforts of Canadian factories, Canadian management, Canadian workmen and Canadian shipyards.

But that is not all; we have done more than build ships of war for ourselves. We have built already not far from 100 ships of war for the British Navy, and we have now building in Canadian yards or on order in those yards about the same number of ships for that great navy. We have built also a few ships of war for the United States Navy.

In the realm of merchant shipping, United States, British and Canadian yards are now and for some time have been turning out merchant ships at a rate much faster than the rate at which they are being sunk, the United States of course supplying the greater share of that tonnage. There would now seem to be every justification for the statement that we can maintain this ratio against the worst the enemy can do. We can continue to produce merchant ships faster than he can sink them. Thus both offensively and defensively the story of the sea is much brighter at this time than in previous years.

Growth of navy. Now, Mr. Chairman, let me continue in historical vein for a moment longer and give the committee some figures to illustrate the growth of the Canadian navy. I have been looking at a report recently prepared by the naval staff showing the development of the Canadian navy since the beginning of the war, and it presents a story of truly remarkable expansion. The 6 combat ships we had at the beginning of the war have grown to roughly 250 fighting ships. The auxiliary vessels and patrol craft, which numbered 7 in the early days of September, 1939, now stand at more than 450. So that the number of our ships has increased more than fifty-fold in a little over four years. When war broke out we had not quite 1,800 men on active service in the Canadian navy. To-day Canadian naval personnel number approximately 80,000, which is a forty-five-fold increase.

In September, 1939, we had only two naval bases, one at Halifax on the east coast and the other at Esquimalt on the west. To-day those two bases have been greatly expanded and im-

proved, and in addition eleven new bases have been developed on our eastern and western coasts and in Newfoundland.

These developments have involved not merely the construction of buildings where men can be housed and trained and fed, but also the construction of all the other facilities necessary for a naval base, such as docks, wharves, repair shops, marine railways and the like. Since the beginning of the war we have put into operation at one of our bases a great floating dock capable of taking ships of as great a tonnage as 25,000. We have constructed three marine railways at various points capable of carrying for repairs the largest destroyer, and another similar marine railway is building. We have built three smaller marine railways that can take corvettes and minesweepers. In addition we have built and have in operation three still smaller marine railways, and four more are building, where the lighter types of craft such as Fairmile motor launches and other vessels of that general size can be taken in hand for repair.

At the beginning of the war, the Canadian Navy did not own a single bit of land in the great space between Halifax and Victoria. The volunteer reserve divisions, which were first instituted in 1923 during the regime of Commodore Hose as chief of naval staff, under the provisions of the Naval Service Act of 1910, were living in rented quarters, some of which were totally inadequate for the purpose. We have changed a good deal of that. Most of these divisions have now been established in buildings of their own. In some cases we have bought buildings and renovated them to suit our purposes. In other instances we constructed new buildings, where naval ratings have the advantage of living, eating and being trained in proper barracks. The work of improving the facilities of these volunteer reserve divisions is still going on; for we at naval service headquarters realize that without these divisions at the beginning of the war, and without the work they have done since in recruiting men and supervising their preliminary training, it would not have been possible for us to achieve what we have achieved in the four years of war.

The committee perhaps will be more interested in later events and developments, and I propose now to give to the committee some figures to indicate what we have succeeded in accomplishing in the last fourteen months or since January 1, 1943. In that time we have added approximately 27,000 to the personnel of the Royal Canadian Navy. At January 1, 1943, we had a total complement of approximately 53,000. To-day we have a total complement of approximately 80,000. The personnel of the Women's Royal Canadian Naval Service has increased from about 1,000 at January 1, 1943, to 4,500 to-day. These Wrens, as they are commonly called, are serving at thirty-two different points in Canada as well as in the United States, Newfoundland and Canada. This service has in every way justified its existence; and the attitude of its members towards their work, as well as their behaviour when off duty, I think have won general and well-deserved praise.

Questions have been asked in the house as to enlistments by provinces, and if I may I should like to place upon *Hansard* a table showing enlistments in the naval service by provinces complete as at December 31, 1943. Perhaps I need not read the figures, if the committee will allow me to place them on *Hansard*. About forty per cent of our men are serving at sea at the present time; a large number of those on shore have had sea service. Others ashore are undergoing training or carrying on administrative, instructional or professional duties.

Mr. MacNICOL: I was thinking that perhaps we might get through with the minister's estimates to-day, but we cannot do that if we do not have the number of enlistments in the different provinces.

Mr. MACDONALD (Kingston City): The following are the enlistments from September 1, 1939, to December 31, 1943:

	Officers	Ratings
Prince Edward Island..	53	1,210
Nova Scotia	592	5,663
New Brunswick	140	2,103
Quebec	1,231	9,268
Ontario	2,044	29,958
Manitoba	262	5,979
Saskatchewan	168	4,965
Alberta	196	5,778
British Columbia	1,068	8,672
Other sources, including U.S.A. and Newfoundland	192	323

Training. Next comes the question of training. One of the great problems in a navy which has grown as quickly as ours is that of training. Many thousands of young men have been taken into the service since the beginning of the war and many of them had no knowledge whatever of ships or of the equipment which makes a warship effective. It is not enough that a man in the navy be a good sailor in the old sense. Warfare to-day in the air, on land and at sea involves the operation of technical gear, and in order to conduct this warfare successfully great attention must be paid to training.

In general, naval training is divided into two main categories. The first is the basic or new entry training which is given to the new recruits, and the second is the advanced or technical training which is provided for men who have had some experience at sea in ships. The initial stages of the new entry training take place at the reserve divisions throughout the country and those stages are completed at H.M.C.S. *Cornwallis* at Deep Brook, Nova Scotia.

At the beginning of last year the service was deficient in facilities for advanced technical training. I have said already that as of January 1, 1943, there were approximately 53,000 personnel in the Royal Canadian Navy. There was bound to be a great backlog of men with some sea time who had not had the opportunity of qualifying for promotion to higher rank. The opening of the training establishment H.M.C.S. *Cornwallis* has solved, or at any rate has helped to solve, this serious problem. Despite the difficulties of securing equipment and despite all the other problems incidental to the opening of so large an establishment, over 16,000 ratings have been given courses of one kind and another at H.M.C.S. *Cornwallis* in less than a year. I cannot emphasize too strongly what this institution has meant in the way of improving the fighting efficiency of our ships.

Some idea of the value of this establishment can be gained when I say that the number of men who have been trained for higher duties of a technical nature at this establishment in less than nine months in 1943 was almost as great as the total number trained from the beginning of the war until the opening of this establishment.

The removal from Halifax of this training establishment where the great bulk of the naval training ashore, both technical and new entry, is conducted, has had many advantages. The morale of the men has been improved by the provision of better training facilities with ample time under naval discipline. The removal of 6,500 men from Halifax to Deep Brook has allowed for the further expansion of repair facilities for ships at Halifax. The proximity of Deep Brook to Halifax permits of a free and fast flow of men to and from ships.

If one thousand men are brought from ships to *Cornwallis* or from *Cornwallis* to ships, in order that they may take courses or report back to their ships after completing courses, the question of distance becomes very important and the need of having *Cornwallis* within easy reach of our main naval base is readily apparent.

[Mr. A. L. Macdonald.]

Many of the men who joined the navy have learned trades which I hope they can put to use when they return to civilian life. In addition to those trained in the naval establishments, of whom there are a very large number, I may tell the committee that approximately 4,400 ratings have been trained in civilian schools since the outbreak of the war in such work as plumbing, electrical work, radio artificer work, internal combustion engine work, welding, copper-smithing, boiler making, machine shop work and the like. In addition more than 1,000 are at present undergoing such training in civilian schools at Halifax, Fredericton, Kingston, Toronto, Hamilton, Galt, Windsor, Calgary and Edmonton.

University Naval Training College. Now a word about the university naval training divisions. Fifteen Canadian universities are participating in the university naval training scheme. The initial enrolments took place in the spring of 1943 and there have been over 1,500 entries. Of those entries 150 have been taken on active service as ratings, thirty-eight have been discharged and there remain in the universities a total of some 1,200 men. More than 250 of these will go on active service at the end of the present school term. The training of the university students is conducted during the academic year at the universities. In the summer time the trainees all put in a special course of two weeks, either at H.M.C.S. *Cornwallis* on the east coast or at Esquimalt in British Columbia.

Naval College. The Royal Canadian Naval College was opened at Royal Roads, British Columbia, on October 21, 1942. In the first term 100 students were enrolled, fifty for a one-year course and fifty for a two-year course. In the spring of 1943 forty-three midshipmen were graduated. Of this number, 27 have been selected for permanent membership in the Royal Canadian Navy and they are now serving as midshipmen in large ships of the Royal Navy. The other 16 of the graduating class joined the Royal Canadian Naval Volunteer Reserve and are serving at sea as midshipmen on Canadian ships. All R.C.N.V.R. graduates who have served six months at sea and who have reached the age of nineteen years with satisfactory service will be promoted to the rank of sub-lieutenant, R.C.N.V.R. Midshipmen who are members of the permanent force must serve eighteen months as midshipmen before they can qualify as sub-lieutenants in the permanent force. It is a pleasure to tell the committee that I have heard nothing but favourable comment on the work of this college. Its staff has been carefully

selected. Its scholastic standard is high, and its discipline and training are in themselves valuable factors in a boy's education.

Teaching of English. In the fall of 1943, the school for instruction of French-speaking Canadians in English was transferred from H.M.C.S. *Montcalm* in Quebec, to H.M.C.S. *Prevost,* in London, Canada. Classroom space has been provided in the public library at London. The course lasts some three months and most of the work done there is in English. Trainees are billeted in homes in the city of London. To date there has been nothing but the most favourable of reports on the work done at the school and on the kindness shown by the citizens of that city.

Entry of officers.—We have made some changes as to the entry of officers. All new officers in the Executive (combatant) branch must enter the service as ordinary seamen and serve on the lower deck. If any of these men aspire to a commission they may request of their commanding officer to be so considered. Upon his recommendation and upon passing a selection board they then qualify for a short selection course at H.M.C.S. *Cornwallis* which culminates in an appearance before the permanent promotion board. Success means a commission as probationary sub-lieutenant, and in due course, entry to King's college for the prescribed four months officers' training course there.

When an officer has passed out of King's, however, he has not finished his training by any means. His real diploma as an officer is, in fact, his watchkeeping certificate. This he can only acquire after approximately six months' service at sea. Even then officers must constantly requalify and take additional courses, both in our own schools and in the training schools of the Royal Navy. New methods of sea warfare, new equipment, are constantly being developed and our seagoing officers must keep up with these ever-changing situations devised either by the ingenuity of our own scientists or by the resourcefulness of a ruthless enemy.

Operations. As I pointed out last year our men are serving on every sea of the world, in the Atlantic, in the Pacific, in the Mediterranean, in the Indian ocean, in the cold of Arctic waters, and in the balmier seas of the south.

Last year seventeen Canadian corvettes took part in the Mediterranean campaign when North Africa was wrested from the enemy. Sea power played a large part in this great achievement and Canadian corvettes definitely destroyed three submarines in the Mediterranean. In the early part of last year six of our corvettes and a flotilla of motor launches saw duty in the Caribbean area. Canadian ships of war participated in the Aleutian Islands campaign of last year, and I am glad to be able to say that their work was made the subject of a laudatory letter from the senior United States naval officer who was in charge of the operation.

In July, when Sicily was invaded, four Canadian flotillas of landing craft took part in the operation.

In September, when the invasion of the mainland of Italy began, the same four Canadian flotillas were on duty in the straits of Messina, and I am proud to report that the services which they performed were such as to win the praise of senior British naval officers.

As was announced in September, 1943, a minesweeping operation of considerable magnitude was conducted off the port of Halifax. The mines almost undoubtedly were laid by an enemy submarine which, instead of attacking ships directly, chose to lay mines in the path of convoys. A considerable number of enemy mines were detected in the area and our minesweepers cleared them up rapidly, and made safe the ocean exit from that great harbour. I should like to repeat now what I said at the time by way of appreciation of and praise for the men of the Canadian navy, who, day in and day out, sweep certain portions of the convoy channel for mines. The work is tedious, but nevertheless it is important and necessary. No lives were lost from these mines, though one ship, a convoy straggler which strayed from the channel which had been swept, struck a mine and was destroyed.

I may mention for the information of the committee that our Tribal destroyers, which are the newest and fastest destroyers in the world, have seen service with convoys to north Russia. As is appreciated, because of the threat held out to these convoys by enemy warships based in Norwegian waters, and because of the great vulnerability of that sea route to intensive bombing from northern European bases, a heavier type of protection must be provided there than is normally required on the north Atlantic. Canadian Tribals were with the attacked convoys off Bear island when the *Scharnhorst* was torpedoed on December 26, 1943.

During the summer and early fall, the Tribal destroyer H.M.C.S. *Athabaskan* was engaged in offensive operational work in the bay of Biscay. It is worthy of record to say that she was the first ship to be attacked by the newly-developed German aerial bomb. She sustained considerable damage in that action. I should add that her commanding officer, Captain

G. R. Miles, R.C.N., succeeded in trying and hazardous conditions in bringing his crippled ship safely to port. This was the second time Captain Miles performed such a feat. In December of 1940 he was in command of H.M.C.S. *Saguenay* when she was torpedoed in the north Atlantic, and after many hours on her bridge, eventually he made her fast alongside at a British port, where she was repaired, and went to sea again to continue her work in the Atlantic campaign against the submarine.

Convoys. Our main work during the year consisted, as in the past, of escorting merchant ships in the north Atlantic.

A few moments ago I pointed out that the destruction of enemy submarines had been very great during the year. That is one way of estimating the success of our battle against U-boats. I believe that the success of that battle was one of the outstanding features of the whole war during the year, but, as I pointed out earlier, it must not be supposed that the battle is over. Germany still has a great many U-boats and there is no reason whatever to think that she will not use them to the utmost in attacks against allied shipping.

The destruction of U-boats is one way of measuring the success of our convoy efforts. Another way is to consider the number of merchant ships that get safely through. Speaking in the British House of Commons on Tuesday of this week, the Hon. Mr. Alexander, First Lord of the Admiralty, pointed out that in 1941, one ship was lost out of every 181 that sailed; in 1942, one out of every 233, while in 1943 only one out of every 344 was lost. In other words, the proportion of ships getting through safely in 1943 was nearly twice as great as in 1941.

Mr. Alexander was giving here figures for all allied ships. He includes the Atlantic, the Pacific, the Mediterranean route, the Russian route, and every other ocean lane on which allied ships operate. The Canadian navy has operated in many waters, but its special area is the north Atlantic over which must pass the supplies produced in Canada and the United States, which must be safely transported to the shores of the British isles.

On this route we have at times supplied 48 per cent of the convoy escort, and during the past two years I think it can be safely said that we have never done less than 40 per cent of the convoy escort work. From the beginning of the war up to the end of 1943 the Canadian navy has escorted, or assisted in escorting, more than 18,000 ships from North America to Europe, and about 114 million dead-weight tons of shipping has safely made this perilous crossing.

One hundred and fourteen million tons of food, of war supplies of all kinds so vital to the efforts of our allies in the European theatre of war have reached their destination and more than 40 per cent of the credit must go to the navy of Canada, which began the war with only six ships capable of undertaking escort work. Is there in the history of all warfare a record more heroic and more inspiring? Young Canadians from our eastern and western ocean gateways, young Canadians from the shores of the St. Lawrence and the great lakes, and, what is even more remarkable, Canadians from the three prairie provinces, many of whom never saw the sea until after the outbreak of war—all have banded together to write one of the most romantic and remarkable stories in the history of naval warfare.

In addition to the ships convoyed from American shores to Europe, our navy has also assisted in the convoying of some 10,000 ships from United Kingdom ports to ports on this continent.

Furthermore, some 20,000 ships have sailed in Canadian coastal convoys so-called, that is to say, from some point on the North American continent to another point in the same area, and almost the entire task of convoy protection in this area has fallen upon the ships and men of the Canadian navy.

If you add all these figures together you will find that nearly 50,000 ships in one way or another have come under the protection of the Canadian navy.

It is in the north Atlantic that the fiercest efforts of German submarines are put forth. There lies the lifeline which in this war, as in the last, the enemy must endeavour to snap. That line has been subjected to many strains and stresses, but it still holds. The supplies are still going through, and not only the supplies, but the ships carrying men, Canadians and Americans, men of all services, are plying the north Atlantic route.

I cannot go into all the details of losses in transatlantic convoys since the beginning of the war, but I can say that the last six months of 1943 showed a remarkable improvement over any previous similar period since the outbreak of war. But as Mr. Alexander pointed out on Tuesday, the German submarine strength is still as great as it was at the beginning of 1943, and we have no assurance whatever that that strength will not again be unleashed against transatlantic shipping. Nor is there any guarantee that we shall not yet have to face attacks on shipping in our own coastal zones.

Losses. You cannot undertake operations of the magnitude which I have briefly described without suffering some losses. Since the 1st of January, 1943, we have lost four ships of war. The corvettes *Louisburg* and *Weyburn* were lost in the North African operations. The minesweeper *Chedabucto* was lost as the result of a collision with a merchant ship, and the destroyer *St. Croix* was lost as the result of enemy action in the autumn of last year. The *St. Croix* was one of the seven destroyers acquired by us from the United States in 1940, and I should like to say now that all these seven ships have been of the greatest value and benefit to us. The *St. Croix* was hit by enemy torpedoes, and sank, carrying with her more than half of her crew. The rest of the crew succeeded in getting aboard a British frigate, but, unfortunately, on the following night the frigate herself was torpedoed and all the survivors of the *St. Croix,* with one exception, went to their death. The sinking of the *St. Croix* marked the heaviest single loss that the Canadian navy has yet received.

Destruction of submarines. We have lost four ships, but we have had revenge. The Canadian Navy since the 1st of January, 1943, has had a hand in the definite and certain destruction of eight submarines, and in the probable or possible sinking or damaging of seven other submarines.

Of the eight submarines definitely destroyed four were sent to the bottom of the sea by Canadian ships alone. Three were destroyed by Canadian ships cooperating with British ships; and one by a Canadian ship working with a Royal Canadian Air Force plane and a British ship-of-war.

Additions to ship strength. In the past fourteen months we have added some seventy fighting ships to our navy, destroyers, frigates, corvettes, minesweepers and Fairmile motor launches. We have added two more Tribal destroyers, namely the *Huron* and *Haida* to our fleet. We have also acquired eight other destroyers from the British admiralty.

Casualties. Our casualties since the beginning of the war in dead, wounded, missing and prisoners now stand at more than 1,300. I know that the house will join with me in paying tribute to those naval officers and ratings who have died in their country's service; and in tendering deepest sympathy to their relatives and friends. Their lives have been a source of inspiration. Their deaths have been models of gallantry and courage.

Decorations. The heroism and devotion of our officers and ratings has been recognized no fewer than 513 times by decorations and mentions in dispatches. Within a day or two, I shall place on *Hansard* a statement showing the names and addresses of all those who have been thus honoured.

Navy League and Sea Cadets. The members of the committee have always been interested in the sea cadet movement. Personally, I have always tried to encourage the great work which is being done in this respect by the Navy League of Canada, and I am only too happy to repeat the tribute which I have on past occasions paid to that organization for their work not only in connection with sea cadets, but also in connection with hostels for merchant seamen, and for other welfare work undertaken by them on behalf of those people who are engaged in the war at sea.

On the 31st of December, 1943, there were eighty-six Canadian sea cadet corps and over 13,700 cadets enrolled. When the naval service assumed some of the responsibility for the training of sea cadets in 1941, there were some twenty-three corps in Canada with an enrolment of 2,300 cadets. Just now six new corps are being organized, and it is expected that very soon the authorized complement of 15,000 sea cadets will be reached.

More than 5,000 former sea cadets are now in the naval service. Accurate figures for enlistments have been kept for the past eight months ,and they indicate that while all the forces are attracting members of the sea cadet corps, the navy seems to be the favoured service for these boys.

The figures for enlistments in the past eight months are: Navy, 581; army, 80; air force, 66; merchant navy, 63.

Apart altogether from the value which this work has for the naval service, most satisfactory reports have been received to the effect that the work of the sea cadets corps—and I am sure this is true of the air cadet corps and the army cadets as well—has had a very considerable influence in reducing the number of cases of juvenile delinquency in the centres where cadet work is carried out.

There are over 750 men serving as sea cadet officers in the various corps. They are public spirited citizens who give freely of their time and who have made a great contribution to the success of the sea cadet movement. They have helped greatly to inculcate high ideals of citizenship in these young boys.

In the summer of 1943 the naval service sponsored thirteen sea cadet training camps and during the summer 6,800 sea cadets spent two weeks at camp. The navy provided officers, doctors, instructors, cooks and other personnel to operate the camps and the boys

had the advantage of some naval training, and the pleasure of swimming, of handling boats and of camp life generally. We hope that in the summer of 1944 some 9,500 sea cadets will be able to enjoy the benefit of these camps.

Future prospects. With regard to the future, I may tell the committee that in the coming fiscal year we shall add appreciably to our fleet. This year we hope to acquire from the admiralty two fine modern cruisers and we propose to man two aircraft carriers with naval crews. The acquisition of these larger ships is, I think, desirable from every point of view. They will add to the strength and effectiveness of the Canadian navy and will give a number of our officers and ratings experience in handling larger ships.

Up to now our navy has been what is commonly called a small-ship navy. Many officers and some ratings have served with the Royal Navy in British ships of the larger types, but now they will have the opportunity of manning Canadian ships of the larger class.

With regard to the aircraft carriers, I may say that the plan is that the Canadian navy will operate the ships with its own officers and ratings, but the planes and the men to fly them will be provided by the Royal Navy. Besides these larger vessels, cruisers and carriers, we hope to add about 100 other fighting ships as well as a considerable number of auxiliary craft to the strength of the Canadian navy.

In the next year we plan to take in personnel to the number of about 12,000, or at the rate of approximately 1,000 a month.

Post-war. Hitherto, Mr. Chairman, I have talked of the war and its progress. I should like now to say a word about post-war matters.

I listened to the hon. member for Danforth (Mr. Harris) last week when he spoke during the discussion of the estimates of the department for air, and I noted his plea, which was in effect that we should get on with the war and spend less time in talk about post-war problems. I have some sympathy, a good deal of sympathy with that view. The supreme task now before this government, and this house and this country is the winning of the war. All other considerations must take second place to that great consideration, and I am proud to be able to say that, so far as I can gather, that is the view taken by the personnel of the Canadian navy. They are keen, of course, to get the war against Germany over, and then they feel that they have a few matters to attend to in the Pacific. They realize that the war is not yet won. They know that in Europe the enemy is very strong on land, and still strong and dangerous in the air and on the sea. They know that in the Pacific there are long distances to traverse and heavy fighting to be successfully undertaken before the Japanese menace is completely and finally destroyed.

Yet I am unable to agree that we should give no thought now to the welfare of our service men. I do not believe that our successful prosecution of the war will be interfered with by any attention that we might here give to such a matter. Rather do I think that our prosecution of the war will be helped, for this reason; and we all agree that the service man must be well fed and clothed and paid, and must be given periods of leave and recreation, that he must feel that those who are dependent on him shall not suffer want or privation while he is away.

We believe in these things because they are right and just in themselves and because the service man will be a better service man for our doing them. In a word, we believe in maintaining morale.

I am sure that the morale of the service man is improved when he sees the people at home taking an interest in his welfare, and therefore I feel that all civilian groups in this country who try to do something for the service man are discharging a patriotic task.

I believe, for example, that one of the wisest steps we ever took in the naval service was taken when we accepted the suggestion of Captain Brand, one of our own officers, to name corvettes after Canadian cities and towns. That practice has created a link between city or town and the ship, which is helpful to both. Every time that comforts—clothing or cigarettes, books, radios or whatever you will—go from the city to the ship, it proves to the ship's company that the people back home are interested in them, and they are better sailors because of that feeling.

It is inevitable that some service men should be thinking of the post-war world. Should not we here be equally concerned? Should we not try to ensure, so far as we can ensure, that life in this country will be a little better than it was before?

I hope that I shall not be misunderstood. I hope I shall not be counted among those who felt that this country before the war was not worth fighting for, that nearly every other land was fairer than this, that other types or systems of government were far superior to ours. No. This country, from the time our fathers first came to it, has been worth fighting for, and, if need be, dying for; and 60,000

Canadians in the last war, besides many more thousands in this, have proved with their lives the validity of that statement.

Nor do I think for a moment that our service men want fantastic promises and impossible assurances that after the war they will enter upon a new and entirely different sort of life where the state will pour out money in unending and unstinted flow from a magic horn of plenty. What they want most, I suspect, is to take up again the broken skein of their peace-time lives, to return to the families and friends from whom they have been separated, to enjoy once more the privileges and the pleasures and to assume again their share of the responsibilities of Canadian life. What they want is an opportunity to make a decent living at work in this land, at work on the farm, in the factory, in the office, as their fancies and their abilities may dictate. Let us try to give them that opportunity. Let us make to ourselves and to them one pledge, in the words of Lincoln: "To care for him who shall have borne the battle and for his widow and his orphan". Let us do what is right and reasonable for them in the matter of demobilization grants, war service gratuities and pensions. Let us honestly try to help those who need help to reestablish themselves in civil life.

I have no fear that these service men will come back here as wild-eyed revolutionaries. They will have sacrificed much for Canada. They are not likely to tear down the edifice which they risked their lives to defend. Rather, I am certain, will they come back ready to play in peace a role comparable to that which they played in war, defenders and protectors of Canada.

In the naval service, as in the other two services, we have set up a directorate to give study to the problems of demobilization, rehabilitation and kindred matters. We have placed at the head of that directorate a volunteer reserve officer; for this problem is one that is of chief concern to the reserve branches rather than to the permanent forces. He was in the naval reserve before the war and in this war he has had extensive and distinguished sea service. He, and those associated with him, will work with officers from the other services and with officials of other departments such as the Department of Pensions and National Health, and with all the other departments that are interested in the matter.

I believe, Mr. Chairman, that the discussion that has already taken place in this committee on this problem has been most helpful, and I hope that members of the committee will continue to give the same earnest and helpful attention that they have already shown. I now leave the estimates of the Department of National Defence for Naval Services to what I know will be the careful, and what I hope will be the kindly, consideration of this committee.

Mr. FACTOR: I desire to ask the Minister he has unfolded. I often wonder whether the members of the committee, and particularly the Canadian people, appreciate the glorious contribution that the navy has made in this war and the sacrifices that both officers and for Naval Services one question. Before I do so, perhaps the committee would permit me to express a word of appreciation and congratulation to the minister for the story which ratings have sustained in doing their bit in naval warfare.

The question I desire to ask is rather mundane, compared with the romantic chapter that the minister has given to the committee. Some time ago the city of Toronto donated to the federal government a piece of land on the waterfront to the east of the exhibition grounds for the purpose of constructing naval barracks. I need not emphasize to the minister the desirability and the necessity of the construction of those barracks for Toronto and district. As a matter of fact, I received a letter from the mayor of Toronto inquiring about this. Perhaps the minister might look upon this as a convenient time to tell the committee what he proposes to do with reference to the construction of the barracks.

Mr. MACDONALD (Kingston City): I may say to the hon. member for Spadina that I have had some communication with the mayor of Toronto in the matter. A question was raised on this very point in the house last week by the hon. member for Broadview. In answer to the hon. member for Spadina, who has had a letter from the mayor of Toronto, I may say that it is the intention of the Department of National Defence for Naval Services to construct the new barracks in Toronto on the land donated by that city. The plans for the barracks are now in course of preparation and I hope that the work may be undertaken very shortly.

Mr. STIRLING: The committee has listened to the unfolding of a story as told by the Minister of National Defence for Naval Services which is based on the wonderful accomplishments of the Canadian people. In the figures which he gave on enlistments he has drawn attention to the most notable point in connection with naval expansion. It has also been drawn to the attention of the world by writers

from the United States that this far-flung and largely agricultural country of Canada has been responsible for an expansion in naval affairs which the world has certainly never seen before. I remember meeting Commodore Hose in 1934. He was then retiring from the position of chief of the naval staff. He had just returned from a trip across Canada, the purpose of which was to inspect establishments of the naval volunteer reserve. He was most gratified to find wherever he went that those establishments were up to strength, and, peace years though they were, that the training was being carried on which was later to have such notable effect. In that expansion Commodore Hose had a particular part to play, because it was while he was chief of the naval staff that the naval staff produced those plans which have been so efficient in the expansion which the minister was able to describe to-day.

When I left the Department of National Defence the three branches of the naval services included 2,100 officers and ratings, of which but 900 were in the permanent service. By 1939, the smoke having arisen over the European horizon and it having become more and more evident that war was in the offing, that figure, judged by recent departmental papers, had risen to 3,600, and now the minister is able to speak of 80,000. This is a marvellous accomplishment for a country of the size, shape and population of Canada.

But it must not be thought that excellencies alone depend on numerical expansion. That very expansion, and the rapidity of it, have carried with them very grave problems of training and the like which had to be solved by the naval staff, and it is possible that in the further discussion of his estimates the minister will take the committee a little more into his confidence with regard to that work of training. As the ships were required, as the ships were built, ships' complements were necessary. There had to be not only officers commanding; there had to be officers under those officers. In the very early days of new shipbuilding the difficulty was to find officers competent to take on the more specialized duties, for where could the naval staff look for them? They could not look, except in small degree, to the permanent force, which had to take care of the fighting qualities and administrative qualities, as well as to furnish the experience necessary to train men, which experience could be gained only through service. The consequence was that the minister had to turn to the young men who had been taken into the service through the naval volunteer reserve. Courses had to be set up as rapidly as possible and conducted in such a way that in the shortest possible time the young officers required for these new ships would be forthcoming. But such advances were taking place in the technical end of the naval service that it was necessary to send a certain number of those young specialists to take the courses conducted on the other side of the Atlantic, to take advantage once more of the assistance of the Royal Navy. All through this picture we must remember that we have always had the very great benefit of the assistance of the admiralty and of the Royal Navy.

The Canadian public read with very great interest the references which are continually made in the press to the warlike accomplishments of the Royal Canadian Navy, and well may they do so. I should like also, however, to pay tribute to those others whose services are just as important as those on the fighting ships; for instance, to the wireless operators on our coasts, working away with instruments so novel and so secret that we know nothing about them, but from which information is derived that is absolutely essential in both defensive and offensive work. Then there are those in the convoys. We hear about it when a convoy escort vessel accomplishes some magnificent deed; alas, we hear also when one is lost. From time to time we are told of safe journeys, but I think we should remember that our men are serving day and night, doing valiant service in extreme danger, and that as a result of all this silent work of which we hear so little the valuable tonnage required by the allied nations is safely reaching its destination. Speaking of the convoy escort vessels it is of particular interest, I think—and those who have read the story of the voyage of the *Prince of Wales* when she carried the Prime Minister of the United Kingdom to Placenta bay will know to what I refer—that after the *Prince of Wales* had to cast off her torpedo coverage because of terrible weather, and after she had spent some twenty-four hours with no coverage at all, in the fog of the western Atlantic she was met by a Canadian destroyer which escorted her to Placenta bay. Again, four or five days later, when she left on her return voyage, during the first part of that voyage she was under the protection of Canadian destroyers.

Speaking of the *Prince of Wales*, I should like to draw to the committee's attention a remarkable and human incident. On board that ship was a Canadian midshipman, born in Penticton, at the southern end of the Okanagan valley in the riding which I represent. He remained on the *Prince of Wales* until she was sunk by the Japanese off Singa-

pore, and he was rescued. Then he went aboard the cruiser *Exeter*; subsequently she was sunk, and he was not saved. That occurred on March 13, 1942. No news whatever reached the parents until a day or two after the New Year, when they received a letter from one who described himself as a member of a small committee that had been endeavouring to ascertain what actually had happened to the *Exeter* ship's company; and he regretted to say that although they had been able to account for all but six of that company, this lad was one of the six unaccounted for. On January 13 of this year, however, one year and ten months after the *Exeter* was sunk, the parents received official information that Midshipman Leir had been discovered in a prison camp in Java. This may help to keep alive the hope there must be in the hearts of so many whose loved ones have been reported missing.

As the minister further unfolds his story I hope he will give us more information in regard to what is being done concerning rehabilitation. He has briefly referred to the fact that the matter is under consideration. I wonder how far he can go in describing to us just what is being done. It is very difficult, yes, impossible, to peer into the future and see with any accuracy what will have to be done; so many factors are still a matter of surmise. I do not suppose, for instance, that the minister can say in so many words even what may be his vision of the Canadian navy after the war. I do not suppose he is able to say how rapidly we shall have to concern ourselves with rehabilitation; but I wonder whether a survey has been conducted among those at present in the navy, to give such information as the number who would like to retire from the service at the end of the war, for example, or whether after the European conflict has subsided the minister foresees the removal of the Royal Canadian Navy to Pacific waters and, as a consequence, the necessity of keeping in commission as many ships as we have in commission to-day.

No doubt if that survey is being conducted the sailors are being asked what they want to do. In that way the minister will be able to supply himself with categorical information which will at least enable him to form his plans for training. In that connection I would ask him whether it is the intention of his department to set up and carry on training classes for sailors only, or whether he intends to lean on the training arrangements conducted under the Department of Pensions and National Health. I should like him to go as far as he can in his answers, because it will be of great assistance to the many people throughout Canada, who, in groups and as individuals, are turning their attention more and more to problems of reconstruction and rehabilitation. If I understand the position of naval entry aright, with the exception of those candidates, I believe fifty in number, who because of their educational position are able to attain entry into Royal Roads, there is no direct entry into the Royal Canadian Navy.

Mr. MACDONALD (Kingston City): You mean for officers?

Mr. STIRLING: I mean for officers and men. As I understand it, all entry now occurs through the naval volunteer reserve. I am not speaking of those who, because of their experience and service, are able to enter the Royal Canadian Naval Reserve, those who have had merchant seaman experience; my understanding is that all entry into the Royal Canadian Navy is via the naval volunteer reserve.

I notice that recruiting advertisements are again appearing in the papers for ordinary seamen, communication ratings and stokers. Is there a restriction upon recruiting to-day to those listings, or, for instance, may a boy seaman enter? It is evident that the naval volunteer reserve has been successful not only numerically but also by being used solely for entry into the navy. I return once more to the excellent plans which were laid twenty years ago. They have stood the test of time. When the necessity arose at the actual outbreak of war they were capable of that elasticity and expansion which was so necessary. This service has accomplished exactly the need in view.

I do not wish to detain the committee further at this time, but I trust we shall soon be able to enter upon a discussion of the items as they appear in the schedule.

Mr. MAYHEW: Mr. Chairman, I am pleased to follow the hon. member for Yale (Mr. Stirling) who has paid the Royal Canadian Navy such justifiable and high praise. What I have to say this afternoon will be complimentary to the service and I only wish I could say it as nicely as the last speaker. It would be difficult for me to keep my seat while naval affairs were being discussed because I represent the constituency of Victoria, which includes Esquimalt, the naval base on the Pacific ocean for the Canadian navy.

Esquimalt has had a long and enviable record as far as naval affairs are concerned. Its record in length of years is not as long as that of Quebec or Halifax, but it does go back for a considerable time. It was first used as a naval base by a captain of the Spanish

navy who sailed into the port of Esquimalt in 1790. It was used for the first time by the British navy in 1858, but in 1855 Rear Admiral Bruce, then engaged in the Crimean war, sent a message to Sir James Douglas, then governor of Vancouver island, asking him to prepare buildings at Esquimalt for hospital purposes. Two years later it was occupied by him. Sir James Douglas made such a splendid job of erecting these buildings that two are still in existence.

The harbour of Esquimalt, as is indicated by its name, an Indian name meaning shoaling or gradually sloping shores, provides a safe harbour of some size. It looks out upon the strait of Juan de Fuca and to the Olympic mountains, some twenty miles away. Its growth since 1858 has been considerable. To-day one of the largest dry docks in the British empire and the only dry dock on British soil on the Pacific ocean is located here. I mention these things to show that even in those distant days it had a place in global warfare. We believe it will have a greater place in this war before we are through with our wily enemies in the islands of the Pacific.

This afternoon I wish to refer principally to the training of men for this navy of ours which has expanded so rapidly from a few small ships to over 700 and from a few hundred men to over 80,000. It was as necessary to get experienced and trained officers as it was to get men. As the last speaker has said, there was no place to look for these men except in the civilian population. In 1937 a number of young men in Victoria decided that they would take an active part in Canadian naval affairs in order to be ready should there ever be an occasion when their services would be required. Quite a large number of them went to Naden and started taking these courses at night. Without exception I think the whole of that original class is now serving as officers with the Canadian navy. Those hon. members who had the privilege of seeing the picture "Action Stations" in room 368 on Tuesday night saw what the Canadian navy does and how they discharge the task that is assigned to them. The No. 1 boy on that particular boat, Ted Simmons, as he is known at Victoria, is a Victoria boy and one of the original class. He was decorated for his part in the action which was shown in that picture, for boarding a German submarine, trying to secure documents from the ship itself when it was sinking, and for being the last man off, and finally to meet our own boats. That same boy at a later date received a bar to his medal for a similar gallant and brave action in the Mediterranean carried out with coolness and judgment.

But he is not the only one of those civilian boys who left offices or stores and have since played a gallant part in connection with the navy. A few nights ago I read in a local newspaper that the youngest officer ever to command a cruiser, in either the British or Canadian navy, was a Victoria boy, and he was commanding her at the age of twenty-six. He was another of those boys who left their civilian jobs to do a job of this kind with the navy.

Just about this time in 1940 the department realized that if it were going to have a steady stream of properly trained and properly selected officers for the navy it must have a place to train them, and with this in mind the department selected what I believe was the best place that could have been found in the Dominion of Canada. They chose what was then known to us on the west coast as Hatley Park, the home of the Hon. James Dunsmuir. It was built at great expense to him, and with great care in the laying out of the property. Without doubt it is the most beautiful spot among the many beautiful spots on Vancouver island. Here is one time when the government secured something at a very low cost. They paid for that property $75,000, which was barely sufficient to pay for the cost of the fence around the property. The property as a whole comprises 640 acres. It faces out on Royal Roads and is close to the Esquimalt naval dockyards and barracks. It has a lagoon, a natural lake, in front, and is a very suitable place for the training of naval personnel. For some years it was used for the purpose of training officers for the navy. I do not know how many of the thousand and more officers from British Columbia now serving in the Canadian navy were actually trained there, but I know there were many men from eastern Canada too who received their training in this school. When the department thought it had trained sufficient officer personnel, it converted this property into what is now the Royal Canadian Naval College. The central building is practically a castle in itself, and there are many outbuildings conforming in architecture and substance to the central building. In addition, the government has built a training school, which also does credit to the architect who designed it and to the navy itself.

I want to give a word of explanation for the benefit of many hon. members who, I hope, will take occasion to visit this college before

long. I took a minister out to see that property, and after he had seen it he said as we were coming back over the winding road through the bush, which is beautiful, "What luxury!" Well, they are luxurious quarters, and an endeavour was made to take some of the trimmings away so that the place would not look quite so luscious. The whole place was carpeted with a red carpet like may be seen in the other chamber. There was an elaborate billiard room, containing one of the finest billiard tables I think I have ever seen, and gorgeous crystal chandeliers. At the time the negotiations were going on I suggested to the man who was negotiating the deal that we should not purchase these appurtenances because it might be misunderstood by the taxpayers who might visit that piece of property. My advice was accepted, but it did not work out just the way he had thought it would, because other people became interested in this college and in the site and donated the elaborate chandeliers and the rich red carpet. The late Sir Edward Beatty thought the billiard table was a proper thing to have at the college and accordingly he donated it to the school. I make this explanation to remove any impression there might be that the government was spending the people's money unnecessarily.

I maintain that any boy who attends the naval college in Victoria enjoys a rare privilege. There are some twenty-one officers in the school, and they are selected with care. Hon. members would be delighted to meet and to know any one of them. The boys who go there are carefully selected, and mostly by quota, from all the provinces. None of them is under fifteen years and eight months and none is over seventeen years and eight months; all are physically fit, all splendid looking boys. Physical fitness and ability to make full use of their time are the principal qualifications. I have made it a practice to go out there, and my visits are indeed an inspiration to me. I am sorry that we graduate only fifty boys a year from that school, because it is the symbol of the future of our Canadian navy. We must see to it that we shall never again be in the same position as we were in during the fall of 1939. As I understand it, not all the boys are obliged to join the Canadian navy, but all are obliged to be a reserve for the Canadian navy should they be called upon. I believe that when the time comes they will give a good account of their stewardship and show themselves worthy of their training.

I do not wish to take up much time, but I have three or four suggestions to leave with the minister which I believe, if adopted, would considerably strengthen our position on the Pacific coast so far as the navy is concerned. It was thought some time ago, and I am not finding fault with the conclusion, that it would be advisable to have the senior officers of the three services located on the mainland and together. Now, with the turn of affairs in the Pacific, would be the right time to have the commanding officer of the navy on the Pacific coast and his staff go back to Esquimalt, where they would be at the very heart of naval affairs, rather than remain on the mainland.

My second suggestion is that because of weather conditions—and certainly there is no better climate in Canada—

Mr. SINCLAIR: Hear, hear.

Mr. MAYHEW: —than the climate on the southern end of Vancouver island—north Vancouver may come next—at least preliminary and elementary training of the boys should as far as possible be carried out at Esquimalt. We on the west coast appreciate the fact that the major activity for the Canadian navy is on the Atlantic coast. We hope that will change, and change soon. Until it does we know that the finishing off of our boys can be better done where there is more equipment with which to do it. But during the first stages of their training they can work more days out of doors and be comfortable on the southern end of the island, at Esquimalt, than they can at any other place.

Another suggestion I would make to the minister is that, to round out the training for Vancouver island and for British Columbia generally, a training ship should be stationed at Esquimalt, not only to train naval personnel but to train men for the merchant marine service as well.

It may be remembered that when I was giving a short history of Esquimalt I said that the first occupation of that harbour was for hospital purposes. At that time it was not thought it was too far to bring wounded soldiers from the Black sea, where they were then fighting, to Esquimalt. I think that to-day Canada should supply hospital accommodation not merely for her own personnel but for the personnel of any of our allies, or even our enemies, who might have to come to British Columbia. I know plans are going forward for further hospital accommodation, and it takes some time. We are not impatient about that; we are glad that they are proceeding as quickly as possible. But I press again, and I think I am right in doing so, that we should look further than merely to

the care of our own personnel as far as hospitalization is concerned at that particular point.

Another matter to which I should like to call the minister's attention is the lack of the best kind of equipment for the speedy repairing of ships at Esquimalt harbour. I think we should be in a position to take care quickly and adequately of any ship, no matter what its size, which may become disabled in the Pacific and the tools for that purpose should be provided. Probably some of them are so large that they would be used only once or twice in the next twenty-five years or longer, but the quick repairing of a ship when it may come to our coast at this time is one of the protections which we should provide.

I have only one further remark to make. This is the first occasion on which I have spoken in the chamber this year, and I do not expect to speak very often. I have noticed here, during this session and the last, criticism of various departments which might well have been made, and better made, in other ways. As long as we are a democracy —and I am quite sure we shall always enjoy that form of government—the minister in submitting his estimates must not only give a balance sheet but submit as well in most instances the history of each item connected therewith. I am not one to say that we should not criticize, but in war time our criticism should be reduced to the minimum, and in fact it should be so sparing that, if it were a time of peace, it might be called slackness. On many occasions, however, criticism has a tendency to make the people of Canada waiver in their estimate of the way in which the war is going. For my part, on every occasion, in my own feeble way I have tried to impress upon my people at home that the first duty of every Canadian is to stand steadfast during the war. We should not be carried away with success, nor should we be unduly depressed by losses. We must be prepared to stand steady and to carry on with our job, and anything that disturbs the people of Canada in that regard is detrimental. It is deterrent to our war effort.

I suggest that many of the things we are talking about to-day in this House of Commons will look very small indeed and entirely out of place when they are stacked up against what may happen to us when the second front opens up and our casualties begin to come back. We shall not then be worrying about this allowance and that allowance; we shall be wishing that we could call up the fellows lost on those beaches so that they might receive any allowance whatever. I think we should try to keep that in mind.

I do not believe the Canadian people will ever elect a parliament that will not recognize its full obligation to the boys who have fought and those who have died for us. I think we can safely leave to any government that may come into power the responsibility of adequately looking after the rehabilitation of these men, believing that they will not do so in any niggardly, half-hearted or penny-pinching manner, but will fully recognize the obligation of those of us who are enjoying at the present time the protection which these men afford us.

Mr. MacNICOL: Before I begin my remarks, I should like to pay a tribute to the hon. member who has just taken his seat (Mr. Mayhew), for his own family has taken a very great part in the present war. I hope and sincerely pray that the worst does not come to that family. The hon. gentleman's son has made a gallant sacrifice and I trust it will not end in the final sacrifice. I am happy to pay him my undivided respect as one Canadian to another.

As honorary president for many years of the Navy League of Canada, Ontario division, and as a member of the executive of that association for perhaps twenty-five years, I am going to pay a few words of tribute to the minister, and in doing so I make no disparagement of any previous minister who has held office either in the national defence department or in the naval department, because in their time they all did well by the Navy League. But the present minister had an opportunity that none of his predecessors had, and I am pleased to say that he has lived up to the best expectations we all formed of his ability to carry out his responsibility. I can say that from the time of his appointment he has been an ardent supporter of the work and the objectives of the Navy League of Canada, and I am sure that had it occurred to him while he was speaking—perhaps it will on another occasion—he would have paid tribute to that league for the part it has played in helping him to man the ships that he has had constructed and that are now sailing under his orders.

I believe that last year, 1943, the Navy League of Canada had some eighty-three corps throughout the country, commencing in the minister's own fine city of Halifax where there has always been an exceptionally fine corps. It is one that I inspected on one occasion in former years. There was also a fine corps in Charlottetown—I am not sure whether there is

one there now—and there are fine corps in Saint John, Sydney, Quebec, Montreal, Kingston, Oshawa, Belleville and Ottawa. There is a fine corps here; hon. members have seen it in the summer time parading on the streets. In Toronto we have the headquarters, the moving spirit behind most of the corps in Canada. There are several corps there. In Hamilton, Welland, St. Catharines, London, Windsor, Owen Sound and Sault Ste. Marie there are also very good corps and there is an exceptionally well trained one in Winnipeg. There are others in Regina, Calgary, Edmonton, Vancouver and Victoria—

Mr. BREITHAUPT: Kitchener and Waterloo.

Mr. MacNICOL: Well, there are a number of others that I should mention, but naturally some of them will slip my mind. There is a fine corps in Kitchener-Waterloo. I do not want to take up too much time, but there are others throughout the country that I should mention. All these corps have been supported by many men and women who have given valuable voluntary service. The navy league has never had any difficulty in enrolling under its banners as good as the best men and women in every community in Canada, and wherever they have applied for a corps one has been finally organized. I know that the minister will later on pay tribute to the Navy League of Canada for assisting him in the manning of his ships; for the story he told would prove that the number of enrolments on the ships to-day is tremendous. Canadians throughout the whole country will be thrilled with what Canadian sailors have done. I was pleased to hear the minister pay special tribute to the boys who came from different parts of Canada far removed from the sea. One would naturally expect to find boys from Nova Scotia, New Brunswick, Prince Edward Island, Quebec and British Columbia attracted to the sea because the shores of these provinces are washed by the sea. As I say, one would naturally expect those boys to rally to and enlist in the naval services. The minister paid special tribute to those who came from the western provinces. I was pleased to hear the other day that the representative of the navy in the cabinet of Great Britain said that what surprised him was the fact that boys who came from sections of Canada far removed from the sea had been able to train rapidly and do such a fine job on Canadian ships and on ships of the British navy stationed in different parts of the world.

My own province of Ontario and my own city of Toronto have done splendidly. Ontario, of course, is the principal centre of the Navy League. Perhaps it derives some advantage from that. I was pleased to hear the minister state that some eight or nine thousand naval ratings had enlisted from Ontario.

Some hon. MEMBERS: Twenty-nine thousand.

Mr. MACDONALD (Kingston City): Twenty-nine thousand ratings.

Mr. FRASER (Peterborough West): Ontario is the banner province.

Mr. MACDONALD (Kingston City): Over thirty-one thousand altogether.

Mr. MacNICOL: From Ontario alone?

Mr. MACDONALD (Kingston City): Yes.

Mr. MacNICOL: That is simply wonderful. That is several times more than I had written down. Ontario is the central province and the most populous province. These boys from Ontario have added fame and glory to their name as have the boys from the other provinces.

I believe there were some thirteen training camps operated last summer under the Navy League. In those camps there were some 6,800 boys.

Mr. MACDONALD (Kingston City): Six thousand went to the camps.

Mr. MacNICOL: The figures I received were 6,800, but that is neither here nor there. They were trained for two weeks. Ever since the hon. member for Kingston City became minister of the department he has been very strong in supporting the establishment of those summer training Navy League camps throughout Canada; and now the fruit is being harvested, because boys are going not only to the naval services but to the merchant marine. I do not know how many corps there are in the R.C.N.V.R. throughout Canada, but we did have several in Ontario, including a particularly good one in Toronto. I used to know it much more intimately than I do now.

Mr. MACDONALD (Kingston City): Nineteen divisions.

Mr. MacNICOL: Throughout Canada?

Mr. MACDONALD (Kingston City): Yes.

Mr. MACNICOL: Many of the men who serve as instructors served also in the great war, and during the last twenty-five years or more that I have been associated with the Navy League I have been pleased to find that the men who composed the R.C.N.V.R. put great energy and ability into the work they were doing in training young men throughout the country. During those years many people more or less overlooked the work of the Navy League and of the R.C.N.V.R., but the late

president of the Navy League, Mr. Sam Harris, never gave up. He was figuratively a fighting British bulldog. He went from coast to coast in Canada at his own expense, as did many others associated with the Navy League, stirring up enthusiasm among the corps throughout the country to keep up their good work.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. MacNICOL: Mr. Chairman, when the committee rose at six o'clock I had just paid a very short but well-deserved tribute to the late Sam Harris, former president of the Navy League of Canada. When Mr. Harris became president of the league, following the last war, he had a most difficult task to keep alive any sentiment or interest in naval affairs, but he did his job well. I might also have said a word about the late Aemilius Jarvis, who I believe was the founder of the Navy League of Canada; I joined it about the same time, but I know the late Mr. Jarvis was ahead of us all. To-day we have as head of the Navy League a gentleman who I am sure is well known to the minister, Mr. David Gibson. It is greatly to the credit of Canada that a man like Mr. Gibson, a big business executive, should be willing to devote so much time and energy to assist the department, through the Navy League, in building up the personnel of the Canadian navy. For some years now we have also had as the capable and brilliant secretary of the Ontario division of the league, Mr. Frank Trimble, who during the last war did a man's job with the Y.M.C.A. and is now doing a man's job in assisting the minister and the department to develop and maintain a naval sentiment throughout the country.

I was interested in what the minister said about the shipyards and the men working in them. I should like to add my tribute, and I might say also that I am happy to know that the technical schools throughout the country have made such a contribution in this regard. Perhaps I might refer in particular to the large technical school in Toronto, where they have shops for the training of engineers and mechanics of every description, the graduates of which have done a fine job in helping build these ships. The minister said something about the marine railways; I suppose he was referring to the shipyards.

[Mr. MacNicol.]

Mr. MACDONALD (Kingston City): To the naval yards partly.

Mr. MacNICOL: I was just going to say that perhaps from experience gained through the use of these marine railways in naval yards something may result when the war is over in connection with the building of a marine railway across the Chignecto isthmus in the minister's own province, between the bay of Fundy and Northumberland strait. I think the time is long past when something should be done to save the thousand miles of travel that would be saved by the construction of such a marine railway.

Earlier in the discussion the hon. member for Spadina asked a question about the Toronto naval barracks. This question was asked previously by the hon. member for Broadview, and I might add that all the Toronto members received letters similar to that received by the hon. member for Broadview. I remember some years ago, when the Ontario division of the Navy League built its own headquarters out on the lake shore road west of the exhibition grounds. At that time we hoped that a naval barracks would be built in the same vicinity, but apparently that is not to be so. I am heartily in accord with the erection of a naval barracks in Toronto; I think the city and the province deserve it, and I am glad the minister has taken an interest in the matter. I think the property now being considered is east of the exhibition grounds, and that is a first-class site; it will, I understand, be close to York barracks.

Mr. MACDONALD (Kingston City): Yes, near the exhibition building.

Mr. MacNICOL: I am looking forward to the time when the minister will see his way clear to bring in an item to cover the construction of this naval barracks in Toronto.

Some time ago I asked about the training of young Canadians to fly from aircraft carriers, and no doubt the minister will have some announcement to make in that regard. I know that a number of young men from Toronto and other parts of Ontario enlisted and were dispatched overseas, apparently under the direction of overseas authorities, to receive this kind of training. I am not finding fault with that at all; they have to train somewhere, and perhaps these young lads wanted to fly from carriers. However, I am looking forward to the minister's report in that connection; and later on, if the war lasts long enough and Canada has aircraft carriers of its own, perhaps these young Ontario lads may be brought back and given an opportunity of flying from Can-

ada's own carriers. I do not at all discount the wonderful work that has been done by the old country people; perhaps I should not even suggest that our own boys should come back, but if Canada is to have aircraft carriers then I think it would be only right that young lads from Canada should be brought back to fly from them.

I wish to thank whoever it was that corrected me earlier as to the number from Ontario who had enlisted in the navy. The minister stated the figures correctly, but apparently I jotted them down wrong. I had the figure as around eight or nine thousand, but during the dinner hour I reviewed the figures in the *Hansard* office and I find that the number is well on to 30,000 ratings and something over 2,000 officers. Well, as an Ontario man I am proud to see the wonderful part my native province has played in providing personnel for the naval ships of this country. In conclusion, I thank the minister and congratulate him upon the good job he is doing.

Mr. McCUAIG: I am glad to have the opportunity of following my good friend the hon. member for Davenport (Mr. MacNicol), because I know he always takes a keen interest in the work of this house and particularly in anything having to do with construction, such as shipbuilding and so on.

As I listened to the minister eloquently telling the wonderful story of our navy this afternoon, I could not help but wish that the people of Canada might have had an opportunity to be present and hear that story as it was told to us. We all realize that in the last number of years, particularly at the beginning of the war, the people of Canada became air-minded. We were able to see the planes overhead and we could see the airfields located throughout the dominion. However, the difficulty with the navy is that it is to be found only on the east and west coasts. We who live in the central parts of Canada do not have the opportunity of familiarizing ourselves with its work.

The minister referred this afternoon to the difficulties which had been encountered in connection with shipbuilding, and I should like to confine my remarks mainly to that reference. In my own constituency at Collingwood we have a shipyard which has done great work in connection with the building of ships during this war. The minister mentioned that at the beginning of the war there were practically no shipyards building ships in Canada. We were probably fortunate in the fact that the shipyard at Collingwood had built some mine-sweepers and other vessels in the few years preceding the war, but when they were given orders after the war began they had considerable difficulty in getting experienced men. Many of the men whom they had had some twenty or thirty years ago had gone into other occupations and although they could get men to work, they were unable to get the key men essential for shipbuilding.

They could have gone out and got men elsewhere, but that would have meant taking them away from other essential work. Therefore they adopted a plan, which I think was a good one, of training their own men to handle these key positions. That probably slowed down their operations during the first few months of the war, but I think their work has benefited on account of the plan they followed. When we once more have peace I hope the people will not say, "Let us have no more ships; let us discard our shipyards." If those suggestions are carried out and the time ever comes again when we need ships we shall be in the same position we were in four years ago. I suggest to those who will be in charge when peace comes again, to see to it that shipbuilding is continued, not only to ensure a supply of ships but also to keep available those key men who are essential for the manufacture of ships.

I was glad when the decision was made to build some of the smaller ships such as corvettes and mine-sweepers because these could be built in plants on the great lakes. When they are completed they can be taken down through the great lakes, the St. Lawrence river and through to the sea. It has been found that the work performed by these corvettes has added greatly to the protection we have received on the seas. Their principal work is in connection with convoys from Canada to Great Britain. It may only be a coincidence, but it is interesting to note that as the corvettes began to come into operation, which was early in 1941, ship losses immediately declined. Early in the summer of 1941 quite a number of corvettes were put into operation, and on September 30, 1941, Prime Minister Churchill said in the British House of Commons that ship losses from enemy action for July, August and September of that year were only one-third of what they had been in the three preceding months. As I say, that may be only a coincidence, but that is what happened.

The first corvette put into operation after the commencement of the war was H.M.C.S. *Collingwood,* built in the Collingwood shipyards. Two other corvettes built in those yards were also named after towns in my county, Orillia and Barrie. The keel for the *Collingwood* was laid in February, 1940; the ship was christened in July, 1940, and she was

commissioned and delivered in November, 1940. The keel for the *Orillia* was laid in the month of March, 1940; the ship was christened in September, 1940, and she was commissioned and delivered in November, 1940. These ships were started early in 1940, and at least two went out before the end of the year from the Collingwood shipyard.

I was interested in hearing the minister state this afternoon that the plan of naming ships after towns and cities had been adopted following a suggestion by Captain Brand. The corvette *Barrie* was christened by Mrs. Brand, who afterwards took a great deal of interest in the ship and provided assistance to the women of different organizations in that municipality which worked to supply woollens, radios and other equipment for the comfort of the sailors. We were perhaps also fortunate in having as the commander of that ship Lieutenant-Commander Roy M. Mosher. He was born in Nova Scotia and has often been described as a rough diamond but a loyal and capable officer. He endeared himself to the women of our town, and after he left he continued to write letters to the different organization which had been supplying the comforts. I remember reading one letter which was passed over to me in which he said that after he left Collingwood he went to the east coast where his wife was living and arrived there just in time to become the proud father of a son or, as he said, "just in time for the launching". What pleased us more than anything was the fact that he and Mrs. Mosher agreed to calling the boy "Barrie".

I mention these things to show how the different municipalities become interested in the navy, and, it may be, also in the air force. This interest is enhanced by the kindly expressions of people like Captain and Mrs. Brand, and Lieutenant-Commander Mosher.

Mr. SINCLAIR: Mr. Chairman, before I discuss the estimates of the Minister of National Defence for Naval Services (Mr. Macdonald), I should like to refer briefly to another naval matter. Last Monday the Minister of National Defence (Mr. Ralston) put on the record of this house the names of two gallant Canadians who had been awarded the Victoria Cross, Lieutenant-Colonel Merritt of Vancouver and Captain P. Triquet of Cabano, Quebec. A little later on the leader of the opposition put on the record the name of Private William Manley who had won the Victoria Cross in Libya while serving in the British army. He felt as I do that any Canadian fighting in the British forces or in the Canadian forces is fighting for his country and deserving of honour in this house. With that in mind I should like to adorn the record of this house with the name of a fourth Canadian who has won the Victoria Cross, Captain F. T. Peters of the Royal Navy. Captain Peters was born in Prince Edward Island but early showed his good judgment and wisdom by moving to British Columbia—

Mr. HANSON (Skeena): Question!

Mr. SINCLAIR: —where he settled down in the city of Nelson. I may add that he is undoubtedly the most decorated Canadian in this war, having made a clean sweep of decorations for gallantry in the face of the enemy, because he has also won the D.S.O. and the D.S.C.

Mr. MACDONALD (Kingston City): Royal Navy.

Mr. SINCLAIR: I should like to congratulate the minister upon his presentation of the exploits of the Royal Canadian Navy. I am sure that every Canadian is very proud of both the expansion of the navy and the job which has been done by our navy fighting in its little ships in the north Atlantic. It is a pity perhaps that this house has not among its members a naval officer or rating to bring a whiff of the salt sea air into this chamber. On the other hand, the navy is known as the silent service, and he might feel out of place in the House of Commons as a silent member.

Mr. GRAYDON: He would have plenty of company.

Mr. SINCLAIR: And a colleague behind me suggests that he would be all right as an Ontario member. I do not pretend in this house to be the spokesman of soldiers, sailors or airmen, but I think this is one time I can speak on behalf of every soldier, sailor and airman overseas when I tell the committee of the admiration they all hold for the work done by the Royal Canadian Navy. After all, their first contact with operations is when they go in convoy across the north Atlantic to the old country. I think most of us find it a pretty shaking experience, and when we set foot in England we heave a great sigh of relief and suddenly we realize that the navy has to do that job again and again until the end of the war.

The minister mentioned the part the Canadian navy played in the war in the Mediterranean. I think that when the whole story of the war in Africa and the Mediterranean is written it will not be the eighth army or the desert air force that will get the greatest measure of credit and honour, but the Royal

Navy under Sir Andrew Cunningham. Very briefly I should like to remind the committee, because it is a story that is not well known, of the part they played. There would not have been a man, a plane, a gun, not even a tin of bully beef in Libya but for the grace of the British navy. Every man, every tank and every plane came the long way around from England, around the Cape of Good Hope and up the Red Sea into Egypt. It was the Royal Navy that strangled Rommel, that cut off his petrol and ammunition supplies in the Mediterranean, and that made the victory at El Alamein possible. It was the Royal Navy which hurled the heaviest artillery into the ports of North Africa, which were so great a factor in that war. It was the Royal Navy which took that enormous armada of 3,200 ships of every size and shape safely across the waters on the invasion of Sicily, and I think its greatest day or night was September 14 at Salerno, when the beachhead threatened to turn into another Dunkirk. The British navy steamed in close to shore and threw a solid barrage of steel, everything they had, from their 16-inch guns down to their smallest guns, and we held the beachhead. Now they are doing it again at Anzio, and with great loss, as we read in the papers.

I think in every Briton's heart there beats tremendous pride in the British navy, whether it be in our blood, or whether it be our traditions or the songs and stories that we learned in our youth. Certainly, the most memorable sight that I saw in this war was the navy. The good book, of course, speaks of an army with banners. Its modern equivalent would perhaps be tanks going into battle, and certainly a squadron of aircraft taking off for Germany is a moving sight. But nothing is quite so stirring to a Briton as a British man-of-war putting out to sea.

I remember the night we embarked from the grand harbour at Malta for the invasion of Sicily. It was last July. We had been there a month while the squadrons were doing the bombing and softening up of Sicily before the great day of the invasion came. It was a warm July evening when we went down to the Grand harbour at Malta and loaded on a landing barge on a little beach just under the towering cliffs of Valetta. Once aboard we were all tense. I remember well the palms of my hands were a little wet and my lips a little dry, and there was a loose feeling in my bowels perhaps—not that we were afraid, but it is something like starting an election campaign. You know you can do it but you are waiting for it to get under way. Then down the harbour came a great sight—the *Rodney*, the *Nelson* and the *Indomitable* putting out to sea, and after them cruisers, destroyers, torpedo boats, and a great fleet of invasion barges. The British navy is great for show and tradition, even when going into battle, for as they sailed down the harbour they dressed ship as a salute to heroic Malta. The blue-jackets in their tropical whites stood side by side along the bows of the *Rodney* and the *Nelson*, with the Royal Marines in khaki drill with white topees and white piped webbing lined up around the stern, and on the great flight deck of the aircraft carrier *Indomitable* the brass band played "Hearts of Oak". The airmen on our barge looked at the sight and said, "Thank God we have the navy."

It was that sight which determined me when I returned to Canada to come back by a ship of the Royal Canadian Navy. So that when I arrived in London last fall I went to Canadian headquarters. Even there I found a pleasant thing. Overseas our army and our air force had felt that Canada should put on a good show and they have palatial headquarters. But the navy does things in a very modest way. Half of one floor of a very small office building, and not in one of the best parts of London, is where the Royal Canadian Navy carries on its overseas headquarters. I was given every courtesy, and I can tell this committee that half an hour after I entered I left all booked up, time and place and port, to return to Canada. The service could not have been excelled by any steamship line in civilian life, and I wish to thank the minister now for the courtesy extended to me over there. I should like to tell the committee just a little bit, from a landlubber's point of view, of life with the Canadian navy at sea. I embarked at the port of Londonderry —I do not think that is giving away any secret —and expecting the voyage to be rough and cold, I wore an old suit of battledress. I was rather ashamed when I got on deck to see everybody else looking spic and span in their tiddly blue, the officers in gleaming gold braid, and the sailors so natty with their little hats tipped over one eye, I thought I was letting the air force down by wearing my old suit of battledress. Therefore the following morning I came up in my very best blues, looking very swish, I thought, and I discovered I had made a mistake again because, once at sea, I found the sailors of the Canadian navy were just as Canadians at a hockey rink. They were wearing sweaters, ski jackets and balaclava helmets, any kind of worn dress for convenience and comfort. They were now Canadians at sea, fighting.

The actual forming of the convoy was a wonderful sight. The great ships formed up, the destroyers and corvettes and the whole flotilla under the commodore. I wish to pay a tribute to these commodores, who I think are the most heroic figures in this war. They are old British admirals long since retired from their fighting ships, but when the war came they left their firesides and went back to sea, some of them seventy, some seventy-five, and one I know, eighty years of age, with faces the colour of port, and hearts—I cannot describe their hearts. These are the men who have led the convoys back and forth across the Atlantic.

We had thought that we in Libya were living under rather desperate conditions. Mind you, since I have got back and started talking about it the conditions have become more and more desperate; at times I am rather surprised to find that I have survived. But I can tell this committee that the Canadian navy, fighting in these little ships, lives under conditions very much more exacting than the life out in Libya. By their very nature these little ships have not very much in the way of accommodation. A destroyer is away nearly all the time. These old British destroyers and the United States destroyers we have are very poorly heated, if they are heated at all. But these men in the Canadian ships, the destroyers and fair-miles and corvettes and mine-sweepers, live and fight under these conditions: they have, I think, perhaps the finest spirit of any of our fighting services. There is a healthy rivalry between the ships. The *Kootenay* for example thinks it is the best ship in the fleet; that the *Skeena*, the *Saguenay*, the *Saskatchewan* and the rest of them are not in their class. It is a very fine thing for a man to believe so thoroughly that his own ship is the finest ship afloat.

There is another circumstance, of course, which binds the men of the navy so close together. In the army and the air force, for every combatant in the front line, there are ten, fifteen or twenty non-combatants in various distances behind. In the navy, every man on a destroyer or a corvette, from the skipper on the bridge to the stoker in the hold and the cooks and stewards in the galley, are taking exactly the same risks; they experience the same hazards; they have the same pride in their ship. The convoy on which I sailed was the first convoy back after the launching of the acoustic torpedo which had resulted in the sinking of the *St. Croix*. In this country we are inclined to think that the Royal Navy, the British navy, is slow and tradition-bound. To me it was amazing that, in the seven or eight days which elapsed between the arrival of that convoy and the sailing of ours, the British navy had devised the answer to the acoustic torpedo. The men in the navy were frightfully keen, like fishermen going out with a new lure, to try out this new gear. When action stations rang the fourth night out it was amazing to see the ship transformed; all the men from cooks and stokers upwards knew where they were going and where they had to fight, and manned their posts with the most incredible enthusiasm. This was their chance to see if their gear would work and to get "one up" on the other destroyers of the Canadian navy.

As far as living conditions are concerned, a very great deal has been done for the Canadian navy both by the towns which have adopted these ships and by the Navy League and the women's organizations across this country. If there is one thing these men at sea need it is warm clothing, and they have received it in substantial quantities, but the quantity must be increased from all parts of Canada.

I should like to speak briefly now on the navy as it affects the Pacific coast. I am the member representing half of Vancouver harbour, which is the biggest year-round harbour in Canada. On the United States side are four great Pacific coast harbours—San Diego, San Pedro for Los Angeles, San Francisco, and Seattle—each one of them having a big naval establishment. The great city of Vancouver, however, has not a single naval dock or pier. There is one small barracks at Dead Man's island. The reason is obvious. We had an old and established naval base, of which the hon. member for Victoria spoke so well this afternoon, Esquimalt, established by the British government in 1853. When the British government established Esquimalt the mainland of British Columbia was pretty well a howling wilderness. Vancouver harbour was used only by the Indians. All naval supplies came by sea into Esquimalt, so the fact that Esquimalt was on an island was no handicap. Now, however, this situation has changed. All supplies or almost all supplies for Esquimalt come from the mainland of Canada; they pass through the harbour of Vancouver, and over civilian docks and by civilian transport to Esquimalt. The time has surely come when Vancouver should have naval docks and naval piers, so that naval supplies transferred between Vancouver and Esquimalt can be handled with purely service facilities. Vancouver is well equipped for this purpose, because we have plenty of good land, and deep sea anchorage; that is, in North Vancouver, and

the two biggest and best shipyards in Canada.

The hon. member for Vancouver South (Mr. Green) has shown great interest in what part the army and air force are to be permitted to play in the war against Japan. If there is one service which will play a very important part, we know it to be our navy, and when our navy moves to the west coast, Vancouver and Esquimalt must be its principal bases.

Mr. HANSON (Skeena): And Prince Rupert.

Mr. SINCLAIR: I will include the great seaport of the hon. member for Skeena. Therefore I would suggest to the minister that the time has come to build and plan on the west coast for the winding up by our navy of the war against Japan.

Mr. FRASER (Peterborough West): I was pleased to hear the hon. member for Vancouver North (Mr. Sinclair) praise the boys of the navy. The hon. member for Simcoe North (Mr. McCuaig) mentioned shipbuilding, but it is the men of the navy, the men who man the ships, who are the real heroes.

Corvettes have been mentioned. I do not believe reference has been made to the Fairmiles and the mine-sweepers. I know, from boys who have been on these ships in convoy work and patrolling, and in these mine-sweepers, that sometimes for days on end they have to stand up to their meals; the meals, just as they are, perhaps uncooked, are passed to them, because the corvettes and mine-sweepers and Fairmiles do not merely pitch; they roll and toss. It takes an extremely strong man to stand up under these conditions, and these boys and men deserve every bit of credit the Canadian people can give them; they have done a wonderful job and are continuing to do it.

Just here I wish to read a short article which was in the newspaper on March 2. It is entitled, "Six Tiny Fairmiles Ride Gale; Guard Convoy Through Night", and states:

Six tiny Fairmile launches pushed their sleek noses into the teeth of the worst maritime blizzard in years, February 24, on sudden orders to supply patrol protection, presumably for a convoy.

The story of the 12-hour, night-long battle of the little ships and their crews, withheld until now for security reasons, was disclosed to-day by naval headquarters. Details of their job were not given. It was merely disclosed they performed duty normally expected of "big ships".

Manned chiefly by volunteer reserve men, the patrol craft suffered no damage despite high seas, lashing snow and spray driven by a 50-mile-an-hour wind. Visability was cut to 200 yards. The period was an anxious one for even the largest ships in the area.

The performance of the motor-launches in a storm which saw many marine accidents and ships driven ashore drew the first signal of praise in this war for that type of work. Rear Admiral L. W. Murray, commander in chief, Canadian Northwest Atlantic, signalled commendations to the ships, which operate under Captain J. A. Heenan of Ottawa.

When I was in Halifax, Admiral Murray suggested that if I ever got the chance I should see the motion picture entitled, "Corvete K 225". If any hon. member here has not seen that picture he certainly should see it. It gives one an idea of what these boys have to go through and what they are doing.

I am very much interested in the navy owing to the fact that the Grove school is in my riding. There are over 260 old boys on its honour roll. These boys have joined the navy, and I may say that Vice-Admiral Nelles went to school at Grove, as did many of the officers of the Canadian and Royal navies. I believe it was the first institution in Canada to have a sea cadet corps, and I know that during 1940, 1941 and 1942 the flag at the school was at half-mast practically all the time for boys who had gone to the school and had afterwards lost their lives fighting in the Canadian navy. During 1943 there were not as many sinkings, and therefore the flag was not quite so often at half-mast.

The reason why Grove school is perhaps the first to have established a sea cadet corps in Canada is, in my opinion, the fact that Peterborough, the riding I have the honour to represent, is one of the boating paradises of Canada.

The minister to-day did not mention the officers of the Canadian Pacific Steamships' personnel. I find in the press of March 6 an article with reference to Canadian Pacific Steamships' officers who have been honoured. I quote:

As part of the 5,599 Canadian Pacific Steamships' personnel on admiralty, armed cruiser and shore service, ten officers have been honoured by the king "for good services" in vessels from among the twenty Canadian Pacific ships taken over by the admiralty in 1939. Awards for heroism won by the Canadian Pacific seagoing personnel in this war now total forty-one. The newcomers to join the honour roll are:

Captain R. A. Leicester, O.B.E., master of a vessel sunk in the Mediterranean when Engineer Officers Edward E. Stewart and William B. Harris, both of Victoria, won M.B.E.'s.

Chief Officer Donald Smith, O.B.E., of Vancouver and First Officer Leonard Johnston, M.B.E., of Vancouver, who guided refugees to safety after the Japs sunk their ship, the *Empress of Asia,* off Singapore.

Chief Engineer William Neilson, O.B.E., of Victoria and Captain L. C. Barry, M.B.E., for more than two years continuous operation "in dangerous waters".

Captain George Goold and Chief Officer John St. Claire Clarke, both of Vancouver, and Chief Engineer D. Cowper commended for their actions when the Italians sunk the *Empress of Canada* off West Africa.

The minister did not say anything to-day as to whether Canada intended to build any aeroplane carriers for our navy. I think he should have let the committee know what is going to be done along that line, because the Canadian navy will have to carry planes perhaps before this war is over and certainly before another war comes along.

Mr. JACKMAN: One cannot help being greatly impressed with the account the minister has given of the activities of the navy. Its growth from a small pre-war permanent force of 1,700 personnel to over 74,000 is a record of which any country may be proud. Indeed, I understand that the personnel of our navy is now greater in extent than that of the Royal Navy in peace time. In addition to that number of 74,000, we must not overlook the establishment of the Women's Royal Canadian Naval Service, which has grown since the autumn of 1942, when the first class was started, to a personnel of over 4,500, and to the Wrens I should like to pay a special tribute.

Our Canadian boys have proven themselves great sailors; and it has amazed all how the young lads, not only from the maritime provinces but from one end of the country to the other, including the prairies, have taken to the sea as if it were their native haunt. So high is the tradition of the British navy, so strong is the lure of the sea, that when a poll was taken at a boys' school near Toronto to ascertain which of the three services was the most popular the navy won the vote.

It is not my intention to praise the minister for naval services any more than I would praise the minister for air, whose partisanship when in opposition was notorious. I am not in a position to know how much better their tasks might have been fulfilled, but there are so many stout fellows in the navy as well as in the other services that I feel we cannot pay too great a tribute to their ability and to their eagerness to serve where the danger is greatest. At the same time, the Minister of National Defence for Naval Services (Mr. Macdonald) has not hesitated to adopt new ideas or, if I read correctly between the lines, to make changes in personnel in a quiet way for the betterment of the great service which is the particular care of his department.

The heroism of the men in the silent service will go down in the annals of our country. I think of one of my young friends who, in the early days of the war, lost his life when in command of the leading motor-torpedo boat in a raid which blocked the harbour of St. Nazaire. I recall another young man from my own riding who was on a corvette that rammed a submarine off the coast of Cuba, a youth who entered the navy as a rating on leaving school, and whose ability has now been recognized by his promotion to a sub-lieutenancy.

Our part in conquering the submarine menace has been a notable contribution to the war effort, for as long as that menace persisted there was little chance of organizing an effective invasion of the nazi fortress of Europe. Great Britain, in appreciation of our contribution to the common cause and of our ability to man and sail ships of war, has given Canada, by way of reverse mutual aid, two cruisers which will constitute the nucleus of capital ships for the Royal Canadian Navy.

May I add a word to the praise which the minister has already given to those splendid young women who are members of the W.R.C.N.S. The Wrens have so proved their effectiveness as an integral part of the navy in Great Britain that it was decided that the formation of a like organization in Canada would be a needed and desirable contribution to the war effort on the part of our country, relieving, as it does in some degree, our manpower shortage. At our request we borrowed from the Women's Royal Naval Service of Great Britain three of their officers to assist in setting up the W.R.C.N.S. in Canada. In April, 1942, Superintendent Carpenter, notwithstanding failing health at that time, cheerfully and ably carried out the task to which she had been assigned. After resuming duties in Great Britain she was awarded the order of Commander of the British Empire. Accompanying her was Captain Isherwood, who remained for a somewhat longer time in Canada as the first head of the W.R.C.N.S.

The high standards of the Canadian Wrens owe much to the organizing and administrative ability of Superintendent Carpenter and Captain Isherwood. Accompanying these two officers was Lieutenant Sturdee, a granddaughter of the famous admiral of that name who fought at the battle of Jutland.

While selective recruiting for Wrens was still going on apace, the present Director of Wrens, Commander Sinclair, was assigned to the British Wrens, and on the return of Captain Isherwood to Great Britain, Commander Sinclair took over the command and has since that time devoted to the organization her high executive talents.

May I here pay a tribute to Great Britain for her contribution in helping in organizing the Canadian Wrens, as well as in offering the

model for the Canadian navy. I do this not because the contribution comes from across the water but because that contribution represents the highest development which the experience of centuries has given to a service that stands ever ready and ever eager to serve its country. To appreciate fully the contribution which the Wrens are making to our war effort it is necessary to review their activities which have in virtually all cases been the means of releasing sailors for active service. They have replaced men in map plotting, signalling, as dietitians, cooks, waiters, sick-berth attendants, drivers, clerks, typists, and in the handling of mail, messengers, et cetera. May I read an extract from the official pamphlet "Canada at War" for January of this year:

A Wren officer is captain of a training ship ashore—first woman to achieve that distinction; another officer graduated from an accounting officers' course with male officers; a Wren is doing medical research for the navy in a guarded laboratory; Wren dietetics officers (under Lieut.-Commander Taylor) supervise the food eaten by naval personnel ashore or afloat; a Wren officer instructs seamen cooks at the naval cooking school at H.M.C.S. *Cornwallis* at Deep Brook, N.S.; a Wren checked all the shipping through the Welland canal during the navigation season.

As the minister mentioned, the Wrens are serving at over thirty different naval bases in Canada, Washington, Newfoundland and overseas. Indeed, one British guest child who came to Canada in the early days of the war has since returned and is now a stoker Wren running a harbour craft in one of the British ports. That she is a granddaughter of the Lord Chancellor of Great Britain is only an indication of the high quality of the young women who seek service in the Wrens. No less worthy of mention is the fact that the daughter of my office mate, the hon. member for St. Paul's (Mr. Ross) is a driver Wren.

Owing to the high type of young woman who has been attracted to the senior service, there has been little occasion for disciplinary action. The excellent training which the Wrens are receiving and the fact that they are serving together in an organization with the highest ideals of service, are making them not only better women, but better citizens of our great country.

Mr. GILLIS: Along with other hon. members I have listened with a great deal of interest to the minister's presentation. I was particularly interested in his winding-up remarks. I think the minister was perhaps more realistic at that point than during all the rest of his address, because most of his address consisted of putting statistics on the record, showing the growth and development of the navy. I am sure we all join with him in that connection in expressing our appreciation of a job well done. However, the minister stated and reiterated what the ministers of national defence for army and air stated, that our first and most important obligation is the winning of the war and that we must not lose sight of the fact that it is far from won. Second, the minister sharply disagreed with some hon. members on this side of the house, and I think rightly so, in their criticism of spending any time of the committee on post-war problems. I believe the minister was absolutely right when he stated that in order to build up the morale of those in the fighting services—all three of them—it was necessary that we at home demonstrate—particularly those in the House of Commons—from time to time that we are not unmindful of the fact that they are fighting not only against something but for something; that we in this House of Commons know what they are fighting for, and that we are utilizing our time to lay down a programme and policy with respect to the organization of the economic resources of the country to guarantee to them, as the minister stated, that when they come back they will return to a Canada that will assure them of equality of opportunity, the right to a job, and the right to earn a living. As we discuss the problems that come before the house from time to time I do not think we must lose sight of that for a moment. I believe that any time used in this house in discussions with respect to post-war problems is time well spent. I believe it is one of the most important things that this committee can do, particularly if we have those in the services in mind and if we desire to send them forward to make their greatest contribution. That contribution can only be made when they realize that we back here are doing something to change the scheme of things from what it was when war broke out. That is the greatest morale builder that we in Canada can undertake for those in the services.

So far in the debate members from both parties in the committee have risen and have led the minister to believe that his job is completed, or at least there has been no criticism. The speeches so far have consisted of straight eulogies of the presentation. Some hon. members have been doing a little job here and there for their own constituencies. As I see it, the function of the opposition is to accept what the government has to offer and to criticize any proposal that comes before the committee—constructively, of course—in order to urge the government forward to a greater

effort. I believe that can best be done by taking the policy that existed in the past year, boiling it down to cases and pointing out for the benefit of the minister just where that policy did not live up to expectation.

From time to time ministers rise in their places in the committee and say: "Individual cases should not be discussed in the committee". There is no other practical way possible that I know of whereby improvements can be made than by mention of individual cases. That is the most specific and shortest way of demonstrating to a minister the ineffectiveness of his programme as it is being administered in the country. The best way to do it is to boil it down and exemplify it. That is the shortest, most concrete and most specific way in which it can be done. I disagree with those who say that individual cases should not be discussed in the committee. A very good policy can be ruined by faulty administration, and any minister of government, particularly a minister of a war department, who has a large organization that extends in many directions is certainly not in a position to keep his finger on every specific detail of administration as it affects the people of the country. Some official or officials perhaps not as familiar with regulations as they should be, can create a situation in the country, unknown to the minister, that is adverse to the whole policy of the department. The shortest and most specific way of bringing that to his attention is to give him the case, because in my opinion a case arises in either one of two ways, either through an inefficient official or through a faulty policy. I think if it is given to the minister in that way he will have some idea of where to check and what to check for. I have no apologies to offer for mentioning one or two matters at this time, though I am not going to discuss everything I have in mind. I understand that it is the intention to proceed as we did with the air and army estimates, and that specific questions may be discussed as we go through the estimates item by item. However, there are one or two matters of policy which I should like to bring to the minister's attention.

The first matter about which I should like to speak is the merchant marine. The minister commented on the service it is rendering, and on many occasions I have stated in the house that while we recognize the job being done by the army, the navy and the air force, and we have paid them tribute time and again, the merchant marine is a greatly neglected branch of the service, although in my opinion it is one of the most important. These men have suffered casualties; they have undergone all kinds of hardship; yet they have not the right to wear a uniform and receive very little glory and very little recognition of the service they are performing. In my opinion they are badly treated. The minister may say this would come more properly under the Department of Transport, that he has nothing to do with the movement of these ships and very little to do with the manning pools through which the men are routed out to service. My contention is and always has been, and will continue to be, that the merchant navy should come under the direction of the Canadian navy. In the first place I believe that these boys have a right to wear a uniform and that they should be supplied with uniforms by the government as uniforms are supplied to other branches of the service. The hon. member for Vancouver North (Mr. Sinclair) rightly eulogized the work of the navy in connection with convoying, but he failed to mention the boys who are taking the real licking, the boys on these old ships with very little means of protection. If a ship in a convoy gets knocked off, the others carry on and that ship is left to struggle on alone. These men are taking the real chances, the real lickings; they are suffering the real hardships, and in my opinion they should be handled exactly as the other services are handled in this country.

What happens to one of these boys if he becomes a casualty? I said that perhaps the shortest and best way to bring a matter to the minister's attention was to cite an example, and I have a case here of a boy who served two years in the merchant marine. He went all over the world, then came back to Halifax and was discharged from his ship, suffering from a mental condition no doubt brought on by his service. He wandered around Halifax for a while, then was picked up and sent home to his parents in that condition. Representations have been made to everyone I could think of. The boy was placed in an ordinary mental institution in Inverness county, and not one of the best institutions in the country either; it is a place to which people are sent when all hope is gone. This boy's father has written to everyone; he has seen me, and I have written to everyone, always without results. We were given to understand that if the boy could be placed in an institution in Halifax and given the proper treatment there would be a possibility of restoring him to health, for he is only twenty years of age. But I could find no agency that would take the responsibility of guaranteeing any payment or of putting him in any institution. He is still in that place in Inverness county, and only to-day I had another letter from his father. That is pretty rotten treat-

ment to give a boy of that age, who went to sea and took everything that came in those convoys for at least two years, during which he was at Crete and all those other places. I leave that thought with the minister because I believe this country has a definite obligation to that boy and his parents, who are not in financial circumstances to provide treatment for him. The Department of Pensions and National Health as well as several other departments, both provincial and federal, have had this matter up for consideration without results. I believe that in a case like this a boy who has performed such services, whether in the merchant marine or in any other branch of our forces, should be provided with the medical attention necessary to restore him to his former condition of health. That is only one case of this kind. There may be several others, and no doubt will be.

There is another matter of policy on which I should like to ask a question, and I am going to mention another case. About eighteen months ago a young man who had a special trade made application to join the navy at Halifax. He wanted to go in a specialist branch of the service, where he could make his best contribution by carrying on his own trade. Local officials were quite ready to accept him. Then, as a result of some misdemeanour committed by his parents some years ago, his application was rejected. Now he has been called up by the army. The point I wish to make is this. This man decided where he wanted to go and volunteered his services to the navy. He wanted to go into the branch of the service where he could make his best contribution, where it would take the least training to qualify him to make that contribution. but his application was rejected.

Mr. MACDONALD (Kingston City): Is that the young man my hon. friend wrote me about? My hon. friend wrote about a case similar to this; is it the same case?

Mr. GILLIS: That is right. Now this man has been called into the army. The point I am making is that he is being pulled into a branch of the service against his will. To all intents and purposes he has been forced into the service; he is a conscript, whereas months ago he volunteered his service where he could have made his maximum contribution. In the branch of the service where he is now it will take a good deal more training to qualify him than would have been the case in the navy. I do not know why that policy should prevail; if a man is acceptable in one branch of the service as far as character goes he should be acceptable in the others. If he is not suitable for one particular branch, for certain reasons, then he should not be suitable for any branch of the service, because I put them all on the same basis when it comes to a matter of that kind. In this case I think a good deal of the country's money has been wasted. Here is a man who volunteers for the navy and who could have made his maximum contribution months ago, whereas now he is pulled in against his will and put in a branch where he will not be very well satisfied.

There is another matter I should like to call to the minister's attention, again because I think it has to do with a matter of policy. I am not going to use any names; the minister can check these matters, because they have all been before his department in the past. There was a young man serving in the navy as a petty officer. His ship was lost and he was lost with it. His mother is seventy-three years of age. She cannot obtain an old age pension in Nova Scotia because in the days of depression, when the going was tough, she went to Detroit and lived there for a few years. Because she had spent a few years out of the province she is not now entitled to an old age pension even though she is seventy-three years of age. She has made application to the Department of Pensions and National Health for a dependents' pension because her boy who would have contributed to her support was lost at sea. The matter has not been settled; it is still in the slings. They are chasing it around.

In circumstances like this I do not think there should be any question about what should be done. In his address the minister referred to the necessity of keeping up the morale of those in the service and the obligation that we in this country have to guarantee to these boys that we are looking after their dependents. I do not think this is a matter of policy; it is a matter of faulty administration. The boy was lost at sea and the mother has no other source of income. Things of this kind get around and relatives of boys in the service and others hear of it. Such things do not build up the morale which is so necessary.

There is another matter of policy which I should like the minister to check. I refer to the medical men who are serving at different ports under the present merchant marine set-up. These qualified doctors have been requisitioned for service and designated to ports like Halifax, Sydney and Vancouver as port doctors. They look after all the ships coming in, including naval ships, but they are not entitled to wear a uniform. Their income is much lower than that paid to medical men in the services. Many of them have tried to transfer to the army, navy or air force—I speak from personal knowledge—but they have

not been permitted to do so. What hurts these men most of all is the fact that they have no right to wear a service button or ribbon. Their families receive no dependents' allowance. Many of them are young men and they are making a considerable contribution, but when the war is over they are faced with the possibility of being branded as slackers. The fact is that they are carrying on one of the toughest jobs medical men can do. They are working for fourteen hours a day and are on call at any hour of the night should a ship arrive and require examination for quarantine purposes. Most of these men are qualified for the rank of major in the army, which rank I believe is given to most medical men. This is one thing the minister should check up, because it is nothing less than an oversight to place men of this calibre in this position.

There are a number of other matters that can be discussed with the minister by way of questions, but I thought these few rambling thoughts dovetailed into the matter of policy and were in accordance with the minister's statement that matters of this kind should be checked up in order not to leave the impression with those in the service that we were not interested in the small everyday things of life. If we take care of the small things, the large ones will take care of themselves.

Mr. McNIVEN: Mr. Chairman, most hon. members who have taken part in this debate have been residents of the Atlantic or Pacific coasts, or of regions adjacent to large inland waters and the committee may wonder why I, a landlubber from the centre of Canada, from a point almost equidistant from the Atlantic and the Pacific, am venturing into this debate. I do so for several reasons. Coming as I do from central Canada, I do not propose to follow the example of some of those who have spoken already and demanded special consideration for their particular harbours, nor will I attempt to vie with the hon. member for Comox-Alberni (Mr. Neill). While the debate between the hon. member for Skeena (Mr. Hanson) and the hon. member for Vancouver North (Mr. Sinclair) was going on, the hon. member for Comox-Alberni turned to me and whispered that he had a harbour at Alberni which was as expansive as the western prairies and capable of holding all the fleets in the world.

I should like to refer for a moment to the address delivered this afternoon by the Minister of National Defence for Naval Services (Mr. Macdonald) and to congratulate him most sincerely upon the picture he painted of the development of the Canadian navy. I want to commend him for the modesty he displayed in outlining those accomplishments. I listened to the remarks of the hon. member for Cape Breton South (Mr. Gillis). The other evening he and the hon. member for Weyburn (Mr. Douglas) commended the Minister of National Defence for Air (Mr. Power) for the achievement of the Canadian air force, and this evening the hon. member for Cape Breton South has commended the minister for the achievements of the Canadian navy. I hope these hon. members realize that in the development of our air force and navy there has been some intensive planning, that there was somebody who directed in order to bring about this achievement, that there was somebody who planned, somebody who charted, somebody who made the blueprints. Both these hon. gentlemen belong to a group that would have the Canadian people believe they have a monopoly upon planning, blueprinting and charting courses which result in worth-while achievement.

After making a general eulogy of the minister the hon. member for Cape Breton South stated a number of specific cases. He said that in making this reference he was making no apology to the committee. However, I think the hon. member will agree that he should have apologized to the committee, because the four cases he referred to were all outside the Department of National Defence for Naval Services. He referred to the medical men on the Atlantic coast who belong to the merchant marine and serve as port doctors, and he complained of the role they were having to play in these stirring times. He said that at some subsequent date they might be regarded as slackers. I do not think these men need have any fear. If they are performing the duties outlined by the hon. member I think they will come within the terms of that old saying "he also serves who only stands and waits".

In September, 1939, the Prime Minister (Mr. Mackenzie King) placed the assets and resources of Canada at the side of Great Britain. Since then the assets and resources of this country have been steadily mobilized for an all-out war effort. May I remind the committee that, as an initial step in that direction, a few days after the declaration of war, when the British admiralty sent a message to the Canadian government asking it how soon the Canadian navy would be ready for convoy work, the reply was sent back "Immediately", and within six days of the declaration of war eighteen ships loaded with food and supplies left a Canadian port under convoy by the Canadian navy.

Since that day the personnel of the Canadian navy has grown forty-one times, and it is interesting to note that the greater proportion of that growth is included in the Royal Canadian Naval Volunteer Reserve, drawn from the four corners of Canada, from every walk and occupation in life. These young men, some 67,000 in number, have joined the Canadian navy and are serving wherever required.

I wish to thank the minister in particular for his reference to young men from the Canadian west who have joined the Canadian navy, for of the total to which I have just referred, 25,394 ratings and 1,694 officers have come from western Canada. Many of these young men, as the minister remarked this afternoon, prior to enlistment never saw a bit of water larger than a prairie slough, or a ship larger than a sailing boat on some of our smaller sheets of water. It was gratifying to us to hear the minister pay a tribute to these young men, a tribute to their courage, their alertness, their intelligence, and to the way in which they have performed their duties which were new and novel. That same tribute has been paid on a number of occasions in different parts of Canada by the minister and likewise by the Prime Minister and by many senior officers of the navy. I suggest to you, sir, that that achievement, the number of recruits who have come from western Canada, has been made possible by the enthusiasm and the steadfastness of groups of men, who, following the last war, maintained an interest in naval matters through the operation of naval recruiting stations in different parts of Canada. In my own city of Regina we have had a naval company since the close of the last war; up to a few months ago that naval company had trained over 2,200 recruits for the Royal Canadian Navy, and these lads had later completed their special training on either the Atlantic or the Pacific. That achievement is so notable that I cannot refrain from again mentioning the names of the men who have contributed to that success. There comes to my mind Lieutenant-Commander Hall, Lieutenant-Commander Ellison, Lieutenant-Commander Grant, Lieutenant-Commander Pickersgill, all of whom are on active service in the present war; likewise Petty Officers Jeffery and Smith, who are also on active service.

I should like to commend the minister for the policy to which he referred this afternoon of naming corvettes and destroyers after important points in the Dominion of Canada. It is interesting to note that a number of corvettes have been named after Saskatchewan cities and towns. It is a matter of regret that the corvette *Weyburn* was lost in action. The corvette *Rosthern* has done excellent service, and it is a matter that should be noted, I think, that of the four submarines sunk by Canadian naval vessels unassisted, in 1943, the corvettes *Moose Jaw* and *Regina* were responsible for two of them, this being one occasion when Moose Jaw and Regina can unite in a common acclaim.

I should like to give some particulars with regard to the corvette H.M.C.S. *Regina*. When on duty in the Mediterranean she encountered an Italian submarine and blew her clean out of the water. At that time the ship was commanded by Lieutenant-Commander Harry Freeland, who, may I say to my friends the hon. member for Queens-Lunenburg (Mr. Kinley) and the hon. member for Shelburne-Yarmouth-Clare (Mr. Pottier), comes from Nova Scotia. This officer has had a splendid record, having served on H.M.C.S. *Assiniboine* and *Lord Strathcona*. At the present time he is commanding officer of the frigate *Outremont*. The present commanding officer of H.M.C.S. *Regina* is Lieutenant J. W. Radford, who has had wide experience, having served on H.M.C.S. *Collingwood* and *Orillia*.

At the outbreak of the war Canada had no shipbuilding industry. There were, as the minister mentioned this afternoon, only a few ship repair yards and some 5,000 men engaged in that industry. Since that time Canada has equipped some twenty-three major shipyards and some sixty-five minor shipyards, and in that industry now has an investment of well over $500,000,000, employing well over 100,000 men and women, turning out ships of war and ships for the merchant navy with a total commitment approximating $1,000,000,000.

The minister mentioned this afternoon the number of corvettes that had come down the slips and the prominent part that the corvettes are playing in convoy work and in action. It may be of interest to note that the first corvette built in Canada was launched in 1739 and was contracted for by N. Lavesseur and launched at the city of Quebec. It was a corvette, then called a sloop of war, a little less in size than our frigates and having many of the features of the present-day corvette. The results that have been obtained in the shipbuilding industry, both naval and marine, is a magnificent tribute to the way in which capital and labour have worked together. It is a magnificent tribute to the way in which the management and the worker have come together in Canada's emergency to produce

ships of war and merchant ships which were needed in greater production than any other commodity at the time.

It is apparent that the Canadian navy, from its accomplishments and achievements which have been enumerated this afternon, is living up to the best traditions of the British navy, which has long been the acme of national service anywhere in the world. It will be remembered that in May, 1940, at the time of Dunkirk, when Mr. Churchill made that historic speech, he said "to build the ships and strangle the U-boat." Because of the assistance given by the Canadian navy, he was able to announce in the British House of Commons on November 9, 1943, that they had broken the back of the U-boat campaign.

Canadians everywhere are proud of the achievements of the Canadian navy, and occasionally it may sound as though we were patting ourselves on the back when we eulogize the accomplishments of our own service. It is for that reason that I should like to refer to a tribute which was paid to the Canadian navy by a great publication in an allied country. I refer to the *Saturday Evening Post,* published in the United States, which on August 21, 1943, on its editorial page, said this under the heading, "Canada Saved the Day":

As this is written we seem to be well on the way toward victory in the battle of the Atlantic. The menace of the U-boat recedes as allied naval power grows and new techniques are developed for anti-submarine warfare. Land-based patrol planes and the rapidly growing use of converted carriers on Atlantic convoy have helped enormously. Britain, Canada and the United States are all sharing in this triumph over Hitler's strongest weapon.

What most Americans don't realize, however, is that there were many desperate months when Canada stood between us and disaster.

Sea traffic, like that on the rails, divides neatly into two categories—passengers and freight. Our passengers in the battle of the Atlantic are troops bound for England, the Mediterranean theatre and other war fronts. They travel, heavily escorted, in fast ships, and they are comparatively little trouble. They get through with but little loss.

But the freight traffic is another matter. It is composed of trade convoys, the rusty and battered merchantmen that deliver the goods. They carry fuel oil, gasoline, iron ore, grain, frozen meats, tanks, planes, guns, explosives and hundreds of other products vital to the conduct of war. The size of these convoys and the frequency of their sailings are, of course, information the Germans would like to have, but it can be said here that both are much greater than you probably imagine. If the trade convoys had not been kept running, the allies doubtless would have lost the European war by this time.

There was a time before Pearl Harbor when the United States contributed substantial help in the way of escort ships for the freight convoys. But after Japan struck, much of our naval strength was needed in the Pacific, and we also had to use our fighting ships to guard the troop convoys crossing the Atlantic. The burden of protecting the freighters fell chiefly upon England and Canada. Britain, with a very limited amount of help from the Norwegian, Polish and Fighting French navies, supplied fifty-one per cent of the escort vessels for the trade convoys; the United States contributed two per cent, and little Canada, amazingly, provided forty-seven per cent.

This does not mean, of course, that the United States was drowsing during those long and critical months. We supplied aircraft for freight convoy patrol and extensive ship and plane repair bases on both sides of the Atlantic. We guarded the growing stream of troops on their way to a global war. And after the fall of Singapore and Java we held the line almost alone in the Pacific. Also, it should not be forgotten that long before Pearl Harbor we had handed over to the British fifty of our over-age destroyers.

Yet the fact remains that we probably would have lost the war if the Canadian navy hadn't come through in a spectacular and heroic way. It is not surprising that Britain, with her great sea power and resources, should have been able to shoulder fifty-one per cent of the job. But it is one of the marvels of this war that Canada, an agricultural nation of less than 12,000,000 people, could have contributed forty-seven per cent of the vast fleet of fighting ships necessary to get the freighters across.

How Canada accomplished such a feat is an epic that should be written in large letters. When the war began in September, 1939, the Canadian navy was composed of a handful of destroyers manned by a personnel of less than 2,000 men. To-day that personnel has expanded twenty-five fold. As for ships of war, Hitler would like to know the exact figures; Canada's performance in the north Atlantic tells the story.

Of the fifty American destroyers which were traded to the British, Canada got seven, but while these were a real help they were only a beginning—a stop-gap. During the early months of the war, the need became apparent for a new type of war vessel: a ship designed to combat the U-boat, to be launched in large numbers, in a hurry. There was no time to be lost. The answer was an improvisation—a happy improvisation called the corvette.

The corvette is a small ship—under 1,000 tons, less than 200 feet long, but broad of beam—yet she is definitely an ocean-going craft. Her steaming radius enables her to make the transatlantic run with a reserve of fuel which destroyers may envy. Her ability to survive the most frightful weather the north Atlantic can dish up is an eternal joy to those who sail her. The corvette is slow, but the old-fashioned reciprocating steam engine—which were available when the need came—are highly reliable, and reliability means much on the Atlantic convoy route. Moreover, she is amazingly manoeuverable. Her armament is adequate for the job she has to do.

Once the Canadians had the design for the corvette and knew it was the answer, they set about building it in numbers that would shock the nazi high command if it knew. Large shipyards and small ones, even tiny boatyards whose experience had been limited to fishing boats and pleasure craft, responded in a way

that made history. And husky young lads from the prairie provinces went down to the sea to man them. Canada made do.

Now the vast resources of the United States are being brought to bear on the U-boat problem in a larger way, and the ratio of escort craft provided by Britain, Canada and America may be changing. But Canada is still doing her part and will continue to do so, we may be sure, until the day of peace. Is it any wonder, then, that the Canadian sailor may be just a trifle offended when his cousin from south of the border inquires with polite condescension: "Tell me, does Canada have a navy?"

Such was the unsolicited tribute paid to Canada, to Canada's Navy, by the *Saturday Evening Post*, a magazine which has a weekly circulation of over four millions.

In the last war and as a result of the last war, Canada became a nation. As a result of this war Canada has become a world power.

Mr. McIVOR (Fort William): I wish to ask the minister two questions, but before I do so I should like to pay a tribute to him for the masterly way in which he presented the record of his department. I do like to hear a minister who can stand up and speak up, showing that he knows what he is talking about, and then by deeds of valour proves what he has been talking about. We at the head of the lakes live on the shore of the greatest body of fresh water in the world. Before the last war we had a shipyard, and when war broke out that yard began to live, when the workers came back. The tribute paid the other evening by the Minister of Munitions and Supply (Mr. Howe) was well worthy of the workers who have been producing from the Port Arthur shipyards. Not only that, but we have had a sea cadet training centre there for years, and just as soon as war was declared there was no busier spot anywhere in Canada than that Port Arthur training centre. They all wanted to be given a chance, and I have gone there to see what I could do for boys who were burning up to get into the navy. I found a list of over five hundred who were waiting to be taken in, and they were all number one. When I think of these young men who have gone to sea, some of them when they return not looking as young as they did when they went away, it proves to me the words of the minister, that these young men are going all-out to serve their God and their country in a way that will do credit to Canada, their home, and to their city centres.

I would ask the minister if he has any good reason for the statement he made that it was a good thing to call mine-sweepers or corvettes after cities. Is there any reason apart from the kindness of the people in the local centres in helping to equip these corvettes? I would ask the minister also whether the men who are working so faithfully in the shipyards get holidays with pay, because the Minister of Munitions and Supply assured us that workers all over Canada would get holidays with pay, and I find in the records of the labour department that workers in Canada during the past year have been receiving such treatment.

Another question I would ask the minister is whether we shall have in the near future a fully equipped ship so that these boys will get the best training before they leave the head of the lakes. I know now that privately owned boats and, I suppose, boats belonging to the board of transport are used as training vessels, but we feel that we are as good as Halifax or Vancouver or any other centre in Canada, and we think that even though we are a big fresh water lake we have a right to have a training ship second to none in Canada.

I must pay my tribute to the minister. I am very proud of him, although he has more Scotch blood in his veins than Irish. He is doing a good job and I say to him, "Stick to your job and God bless you, boy."

Mr. MACDONALD (Kingston): My hon. friend's question was whether there was reason for calling corvettes after towns beyond the desire to capitalize, if I may put it that way, on the kindness of people. I can say to him, without going into all the reasons for the adoption of this policy, that it has proved very successful. As he knows quite well, there is a ship of war, a mine-sweeper, that is called after his town, the good ship *Fort William*, and there is another called after the neighbouring town of Port Arthur. He will recall particularly that about a year ago that ship distinguished itself in the Mediterranean by destroying an enemy submarine.

His second question is with regard to men working in the shipyards getting holidays with pay. He will have to take that up with the minister of munitions, because the construction of naval vessels is carried on in private yards in this country and they come under the jurisdiction of that minister.

The third question was whether they would have a fully equipped training ship at the head of the lakes where navy personnel might get training. I shall look into that matter at once, and while I doubt whether the head of the lakes is exactly on a par with Halifax, as an all year round port at any rate, it is nevertheless an important section of the country,

has given a large number of excellent recruits to the navy, and has a very fine naval division at Port Arthur and Fort William. My hon. friend knows that we are building a permanent home for that division, and I hope that we shall find it possible to give the area there the training ship for which he has asked.

Mr. LACOMBE: Mr. Chairman, the resolution reads:

1. That sums not exceeding $3,650,000,000 be granted to His Majesty towards defraying any expenses or making advances or loans that may be incurred or granted by or under the authority of the governor in council during the year ending March 31, 1945, for—

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

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

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

Mr. LACOMBE (Translation): Mr. Chairman, while we are discussing the estimates of the hon. Minister for Naval Services (Mr. Macdonald), I recall the loss of our ships and sailors torpedoed right in the St. Lawrence river. It was with amazement that our people heard of these naval calamities. They wondered anxiously if our country were adequately protected, and rightly so. Why is it that our air force, which according to the hon. Minister of National Defence for Air (Mr. Power) is so mighty, could not defend our navy and our crews against such onslaughts? Yet, we had warned the government that it was necessary to defend our own soil first. After all the money that was spent in this unrestrained participation in war, after all the sacrifices made by the Canadian people, they were entitled to the protection of their navy, of their sailors and of the sea coasts as well. In spite of all this, the government asks us once again to vote $3,650,000,000 for the defence of Canada, the conduct of naval, military and air operations both inside and out of Canada.

During 1943, the Royal Canadian Navy assumed unprecedented responsibilities. It increased to a great extent its responsibilities and its strength both in men and ships. Not only in the north Atlantic did it convoy merchantmen and transports laden with war material, troops and supplies, for its scale of operations has now become world-wide. It has faced the enemy everywhere, in the Mediterranean, in the Aleutians. Our navy and our sailors were sighted on the African and on the Sicilian coasts, just as they were seen in the Pacific. The fact that we were present in so many operational theatres resulted in the heavy disasters we sustained in men, equipment and shipping. The destroyer, *St. Croix* was a total loss, engulfing in the Atlantic 147 of the crew. Two of our corvettes were sunk in the Mediterranean, the *Weyburn* and the *Louisburg* after the destroyers *Fraser, Margaree* and *St. Croix* had gone to the bottom of the sea. The *Lévis, Windflower, Spikenard, Charlottetown, Weyburn* and *Louisburg*, all of them corvettes, are gone forever, just as the patrol ships *Bras-d'Or, Otter* and *Raccoon*. With these ships, 954 sailors were lost, 177 wounded, not to mention the prisoners of war.

Mr. Chairman, these figures are significant, if we consider that the responsibilities assumed by our navy will increase until the end of the war. And what shall we have to offer our gallant sailors after this war? Are the government prepared to demobilize 70,000 sailors in this country? Will they have suitable jobs for those young men who are every day facing the worst dangers? Because our navy, along with our army and our air force will have to be demobilized without any delay after the end of the war. We shall then no longer be in a position to keep afloat a navy that now includes over 600 ships but which may comprise over 1,000 at the time of the armistice. That will be the time for reconstruction and return to normal life. Our sailors should be returned to civilian life without any delay since neither they nor the people, overburdened with taxes, shall brook the slightest delay. Let the government take at this time whatever action may be necessary to effect a demobilization which will have to keep up with the rapid changes occurring in the industrial, agricultural, scientific, social and economic fields. Governments will then no longer have control over events whose irresistible force will compel them to act without delay and without question.

One last remark and I shall be through. Since we are discussing war estimates I think I may appropriately remind parliament of the appeal made by His Eminence the cardinal as well as by the archbishops and bishops of Canada urging the governments and belligerents to preserve Rome from destruction. No christian and civilized nation should disregard such an appeal. Civilian and military authorities can find ways of avoiding a catastrophe which history would stigmatize. The noble names of christianity and civilization hold a prominent place in the war aims of the united nations. Let the allies spare the eternal city and they will thus achieve the greatest stride toward victory.

(Text) Mr. GRAYDON: Mr. Chairman, I desire to avail myself of this opportunity, not to make an extended address with respect to

naval affairs but rather to ask the minister one or two questions which I think are germane to the matter now under discussion. Before doing so, however, I should like as leader of the opposition to pay my tribute to the gallantry, the heroism, the unfailing and self-sacrificing service of the officers and ratings of the Canadian navy. I think every Canadian must swell with pride when he contemplates the growth of the navy during this period of war and its unexcelled exploits in the fields in which it is operating. It is no exaggeration to say that the officers and ratings of the Canadian navy have lived up to the very best of Canadian traditions. It must be a matter of great pride to every person in Canada to follow the account given by the minister of what our navy has meant to us in a time of extreme danger and great peril to our nation and those who are fighting with us.

I wish, however, to direct the attention of the committee to one omission on the part of the minister in his statement, an omission I think he ought to make good now that it is drawn to his attention. No reference was made by the minister to very significant and far-reaching changes in the top-ranking officials of the navy. Since the war appropriations relating to his department were up for discussion a year ago, in fact fairly recently, the vice-admiral of the Canadian navy has been transferred to other work in London and his place here has been taken by Rear Admiral Jones. I think the circumstances surrounding those changes, a general description of what they mean, and the reasons underlying them, are matters which the minister will want to communicate to the committee at the very earliest opportunity, and I ask and invite him to do so.

There is another matter I should like to bring to his attention, though perhaps more properly it might come under the first item of his estimates, covering civil salaries and wages. I would ask the minister, as I asked the ministers representing the other two branches of the armed forces while their estimates were before the committee, to indicate why in the naval service the Wrens, who have such a high reputation in Canada, should not receive equal pay for equal work. I believe this question has engaged the interest and concern of many people, and in due course I hope the minister will be able to give us some answer and some explanation in that regard. I have never been quite able to understand why that situation should exist, though the minister may be able to explain it. The answers I received from the other two ministers were far from convincing, when I asked why a member of the C.W.A.C. should receive less than a man in the army, and why a member of the women's division of the Royal Canadian Air Force should receive less than an airman. Having exhausted all other avenues in that respect, I now come to the Minister of National Defence for Naval Services (Mr. Macdonald), and I am hopeful that I may finally get a satisfactory explanation.

Mr. MACDONALD (Kingston City): I am your last hope.

Mr. GRAYDON: Yes, it is nothing more than a hope, because I have had previous experience with the minister. I hope he will not repeat the answer that was given by his colleague the genial Minister of National Defence for Air (Mr. Power), who said that if anybody in the house could find him the money he would try to equalize the pay. It does seem to me like an excuse rather than a reason, and I hope the minister will find a better answer which will meet the public wishes more satisfactorily.

I was also wondering why the minister's statement was so general with respect to demobilization and rehabilitation. The Minister of National Defence for Air spent a considerable time during his presentation in dealing with those two matters. Some of my own close family connections are in the navy; many others correspond with me or come in contact with me from time to time, and they are concerned with the same thing that concerns members of the air force and the army. While the immediate problem of winning the war is naturally paramount in their minds, somehow they are asking themselves the questions, "What shall we do when we leave the forces? Will there be a job? Will there be security? What provision is the government making with respect to the important problems that will face us?" I hope that at an appropriate time the minister will go a little deeper into these matters than he went during the course of his rather general statement. I hope he may be able to give in some detail what he, in collaboration with the other two branches of the service, is prepared to do with respect to these important and far-reaching problems which will face the members of our armed forces when the war draws to a close.

I bring these matters to the attention of the minister not for the purpose of delaying his estimates but rather for the sake of information in regard to the points I have raised.

Mr. MACDONALD (Kingston City): I would ask my hon. friend to be good enough

to give me some time to think over the second and third questions he raised, namely, the reason for not giving members of the women's service equal pay for equal work, and the request for a more definite statement on demobilization. The first reference of my hon. friend was to the fact that in my statement I did not mention certain changes in the high command of the navy. I do not think my hon. friend raised that question with the minister for air, who also made a change in his high command a few weeks before I did, but that does not matter.

Mr. GRAYDON: I have no objection to raising it with the minister for air if he wants to come back.

Mr. MACDONALD (Kingston City): The point is that there is nothing remarkable in that being done. It is not only the Canadian navy that makes changes in its high command. As my hon. friend knows very well, changes are frequent in England even in the highest command. In this case, as I said in a statement at the time, I came to the conclusion that the number of Canadians serving in waters near the United Kingdom and the importance of impending events in that area made it desirable that an officer of senior rank, senior to any officer we had ever sent there before, should go to London to represent us. The choice fell upon Vice-Admiral Nelles, Chief of the Naval Staff, who was succeeded by Rear Admiral Jones. That is the story in a nutshell. I do not think anything will be gained by prolonging the discussion of the matter. Changes in command are taking place all the time. As a matter of fact, the usual time for a naval officer to spend at one place is two years; he usually moves at the end of that time. Changes are not unusual, and they are not necessarily a reflection upon anyone.

Mr. GRAYDON: I never heard there was any reflection being cast upon any of the parties concerned with the changes mentioned, but I did think that we had not received the full story with respect to what were significant changes in the top-ranking officers of our navy. It was for that reason that I raised the question.

May I ask the minister another question which arises particularly in connection with civil salaries and wages. Some of the ministers whose work is not quite as comprehensive and laborious, perhaps not quite as important as the work entailed in the portfolio the minister now holds, have been given parliamentary assistants by the Prime Minister. At times there have been rumours about the appointment of a parliamentary assistant to the Minister of National Defence for Naval Services. The names of some rather prominent gentlemen in the house have been mentioned from time to time, but for some reason or another the appointment has not been made. Is the minister in a position to give us any information with respect to the possibilities in that field? I am not suggesting that he should have a parliamentary assistant, but there was one candidate sitting beside him, or at least fairly close to him, during part of the debate. However, I attach no great significance to that. Can the minister tell us if the government intends to make an appointment of this kind in the future?

Mr. MACDONALD (Kingston City): I suppose the Prime Minister should answer for the government. The Department of National Defence for Naval Services was slated to have a parliamentary assistant.

Mr. MacNICOL: You are doing a better job without one.

Mr. MACDONALD (Kingston City): There was a great embarrassment of riches and an assistant for my department was not selected. I have not given the matter any serious attention for some months past.

Mr. GRAYDON: When you get one, do not get one who gets in the road.

Mr. MACDONALD (Kingston City): He will not get in my road for very long or I shall not have him long.

Mr. EDWARDS: Mr. Chairman, I have no word of criticism or advice to give to the minister whose report we have listened to with so much attention and enthusiasm this afternoon. As one hon. member described himself, I am a mere landlubber who comes from a foothills city, from the highest city in Canada, from a city with the mountains behind her and the great prairies at her feet. I think I can look at these matters a little more dispassionately and broad-mindedly than those who live in the lower lands of this broad nation of ours.

My heart was thrilled with the exploits and accomplishments of the Royal Canadian Navy which were described by the minister (Mr. Macdonald) this afternoon, just as it has been in the past when I hear from the lips of a man like Stoker Fisher, the sole survivor of His Majesty's Canadian Ship *St. Croix*, the intimate details of his experience. He comes from the province which I have the honour to represent. When I hear from men like him

of the exploits of our gallant seamen aboard our Canadian ships my heart goes out to the navy. The sentiments which I entertain are abroad in the land, particularly in the city of Calgary which has an active branch of the Navy League and an even more active branch of the women's auxiliary of the Navy League.

I am particularly pleased this evening—I do not know whether the announcement has been made already, but it will be made to-morrow at the latest—that plans are completed and a contract awarded for the building of the new training ship *Tecumseh* at Calgary.

For some time the navy cadets have been carrying on in makeshift rented premises. They lacked the proper facilities or accommodation to discharge their duties. The result was that in the years prior to the war the navy did not hold the spot in the hearts of our people that it should. It was a pleasure to me to hear from the minister words of appreciation and commendation for the magnificent contribution made to the Canadian navy by men from the prairies of western Canada. In checking over the figures I find that my native province of Alberta has done its full share in proportion to population in providing men who have done such a splendid job in convoying our soldiers across the sea and in fighting this war.

As the minister was outlining the exploits of our navy I could not help thinking of some ancient history. The minister is to be congratulated upon having given permanent form and shape to a vision of that great Canadian statesman, Sir Wilfrid Laurier. It is regrettable to my way of thinking that he did not have his way in 1910. If he had, we would have been a "navy-conscious" nation and we would have been able to make an even greater contribution to the winning of this war.

Our navy has changed the thinking of the Canadian people. It has broadened our vision and given us a world-wide horizon. In Calgary the people of the prairies now think of the Indian ocean, the Pacific ocean and other far corners of the earth where their men are fighting on Canadian ships. They are beginning to realize that the products of our prairies, be they grain or cattle, would pile up to surfeit us unless there were ships to carry them to distant lands and unless the sea lanes were kept open. The fact that Canada has a navy of her own, a navy built in Canada and manned by Canadians, is giving to our people a world consciousness that no other activity could possibly give.

I am also prompted to commend the minister for adopting the very fine idea which, as he said, arose in the mind of a Canadian naval officer, of naming Canadian ships after Canadian cities and towns. I am proud, as are the people of Calgary, that one of our most distinguished Canadian corvettes bears the name of my own city, Calgary. The corvette *Calgary,* which was commissioned in 1941, has made over sixty trips across the Atlantic, has seen service in the Mediterranean, and has already been credited with helping at least in the destruction of two nazi submarines. Her latest exploit hon. members will all remember having read of in January of this year, when with two ships of the Royal Navy and a sister Canadian ship she took part in running down and destroying a submarine in mid-ocean.

The navy has done something else for us as a people, in destroying sectionalism, as evidenced by the story of this corvette *Calgary.* She was built in Quebec, was commanded in the first instance by Lieutenant-Commander Gerald Lancaster of the Royal Canadian Naval Reserve, of Vancouver, who commanded her until June, 1942, when she was turned over to the command of Lieutenant-Commander H. K. Hall of the Royal Canadian Naval Volunteer Reserve, a distinguished Canadian yachtsman of Kingston, who still commands her. My information is that of the crew and officers on that ship at the present time there is not one from the province of Alberta or from the city of Calgary. Yet the people of Calgary follow with the keenest interest the exploits and accomplishments of that ship and will continue to do so simply because it bears the name of Calgary. There is an intimacy of interest akin to personal relationship which is bound to give heart and confidence to the men and officers who sail her, and at the same time it gives the people of Calgary an absorbing concern in the weal and welfare of her sailors, no matter who they are or from where they came.

It is not to be wondered at that, since H.M.C.S. *Calgary* was christened by Calgary's mayor, the Navy League of Calgary, composed of patriotic citizens, has done what? The members of that branch of the Navy League have gone out and from money raised by private subscriptions have bought an excellent building, and fully equiped and manned it for the training of naval cadets. We have in Calgary, not one, but two cadet corps, the membership of which at the present time runs to nearly 500. I say that is worth while in itself, and is a happy augury of the future of the navy in Canada.

In conclusion, I again wish to congratulate the minister and the department over which

he presides upon having decided to put the navy on a permanent basis, not only on our seacoasts but across Canada. I am proud, and justly so, that the site which the city of Calgary donated to the navy is an excellent one, situated high above the city, with a grand view of the mountains and of the city and river below; and just as it is altitudinally high, so I believe that in the years to come, as at the present time, the good ship H.M.C.S. *Tecumseh* will maintain a position second to none in the high traditions and annals of the Canadian navy.

Mr. GAUTHIER: Mr. Chairman, I just wish to add a few words to what the hon. member for Cape Breton South (Mr. Gillis) said a few moments ago and to offer him my congratulations upon his fervent appeal on behalf of the men of the merchant marine. These men undergo all the risks of the sea, and with the limited means at their disposal, truly they are wonder men. Their record is not sufficiently known to the people of this country. They disappear one day; their ship is reported lost at sea, and that is about all one hears. There are very few declarations about them, if any. But they are real sailors, sailors from father to son. They do not look upon the navy or the merchant marine as an opportunity in war. They have a love of the sea in their blood, and at the age of twelve or fifteen they leave for the sea simply because they must answer its mysterious call. Their fathers did the same thing before them, and they must do it too. Some of them never come back, and except for a brief report in the newspapers their memory continues to live only among their families. The young boys, however, still look to the sea, and some day in their turn they will sail away, with their life just begun. As a matter of fact, these men do not expect reward. They love the life on their boat, and sometimes they dislike being detained too long in any port. Their knowledge comes mostly from experience. Their endurance is extraordinary, because it is made up of fighting against the elements with limited protection and limited comforts. But they take it with a smile. They love the sea. I believe in what I have just said, being of a lineage in which every family had one or many members who sailed the seven seas and the St. Lawrence as captains or pilots in the merchant marine. One might say that I speak for my own family. Yes and no, because since the war broke out I have lost none of my relations but many of my friends.

In November, 1942, two ships disappeared within a month's time, the *Nereus* and the *Proteus*. Three young sailors of my own town and four of the parish next to mine disappeared with the ships. There is no news whether they were drowned or are prisoners. Their ages range from seventeen to twenty-nine. Investigations are going on, but no one really knows whether they are lost at sea or prisoners. The parents still hope; and since that loss, two members of these same families are already at sea. They answered the call.

I wanted to make these remarks in order to pay a tribute to people I know, to these humble heroes of the merchant marine, to these pillars of trade and pioneers of civilization; and I hope the minister will have a good thought for this merchant marine.

Mr. ROSS (St. Paul's): I listened with great interest to the minister and his excellent record of the operations of the navy and the navy department during the last year. I think he did pretty good justice to the work of the navy; no one, in my opinion, could do full justice to the achievements of the men who are manning our navy and those who are guiding its destinies. I am glad that the minister intends to put on record a list of decorations which acknowledge the services of these gallant men. In passing, may I mention the honour bestowed on Surgeon-Captain Best, who with his associates is responsible for the work which has been done to improve the diet of the naval personnel. A great many people may suppose that Captain Best carries on his job entirely in an office or a laboratory, but the fact is that he has been out on these ships—

Mr. MACDONALD (Kingston City): Many times.

Mr. ROSS (St. Paul's): He has been on all types of naval vessels and knows the needs of the men. I know him well, and the work he has done in other lines, and I think the fact that he has gone out with these ships and made these investigations should be made known to the public. His associates, also, deserve a good deal of praise for their achievements.

The hon. member for Regina (Mr. McNiven) in making his address, talked as though the naval expansion which has been going on was planned by this government. But, as was pointed out by the hon. member for Yale, the planning started away back in 1922 or 1923. To the naval board, the permanent officers of the Royal Canadian Navy, and no doubt some of the volunteer officers, should go the credit for the actual planning and preparation. The navy did it. It is not a question of governments planning for it. Probably the reason why it was not carried sooner into effect was that we did not have the

money, but the plan was in such complete form that as soon as the money was available we could do the job. The accomplishments of the Department of National Defence for Naval Services have been outstanding; one cannot praise too highly what has been done. I wish to give full recognition to the naval board, to the permanent force, and to the people of Canada as well, for what has been accomplished.

Since parliament last met there have been, as my leader mentioned, some changes in the high command. I understand that two additions have been made to the naval board, something which we on this side of the house have long advocated and which should have been put into effect years ago. Two members of the Royal Canadian Naval Volunteer Reserve are now on the board. Had the appointments been made earlier, a good deal of discontent would have been avoided. When one recalls that ninety-five per cent of the navy are composed of R.C.N.V.R. and R.C.N.R. personnel, and only five per cent are R.C.N. personnel, it is clear that this representation is fully justified.

I should like to know from the minister whether the ship *Toronto* has yet been commissioned. Several of us were notified that it was to be launched and that we would receive an invitation to attend, but I do not think an invitation has been received by any of us, and certainly I would like to have been there. I wonder if the ship has been commissioned.

I was interested to hear that, of the 32,000 persons in the navy—does that include both men and women?

Mr. MACDONALD (Kingston City): Yes.

Mr. ROSS (St. Paul's): —so large a number come from Ontario. It might be interesting to find out how many of these are from the city of Toronto itself. I imagine it is a goodly number. For many years the city of Toronto, from which I come, has been more navy-minded than any other city in the dominion. Great influence has been brought to bear for the success of the Navy League and the encouragement of the sea cadet movement. I believe there is reason for that. The lads around Toronto have an opportunity of being on the water a good deal; they get used to boats. The experience they obtain on small boats on Georgian bay makes them accustomed to the water. Besides that, there are the yacht clubs which I have mentioned before. The Royal Canadian Yacht Club deserves a great deal of credit for the part it has played in providing officers and men for the navy. I know a great number of boys, brave sons of members of that club, are in the navy. Then there is the Navy League, those men who have taken such an interest in the sea cadet corps. There is Mr. Band of Toronto, and there are several other members whom I cannot think of at the moment who deserve a great deal of credit for what they have done.

The minister said something about the education that these lads receive. I believe the education they get at these schools is very good; I have been told so, and I do not see how it could be otherwise, when you have fellows like Ketchum—I do not know his rank—

Mr. MACDONALD (Kingston City): Commander.

Mr. ROSS (St. Paul's): —and Bonnycastle. These are two chaps who have been brought up in what we call our semi-private or public schools—Upper Canada college in one case, and the other, St. Andrew's college. They are very fine types of men and the schools could not be anything but good.

The hon. member for Vancouver North (Mr. Sinclair) said a few words about the Royal Navy. Many hon. gentlemen in days gone by have spoken about our being a colony, and have stood up for our rights and talked about not helping Great Britain or worrying much about the empire. I wonder where Canada would be if it had not been for the Royal Navy. Where would Canada's navy be but for the Royal Navy? Where would we have gained the experience necessary to build up our own navy had it not been for the Royal Navy? The planning that was done was done with the assistance of the Royal Navy. Where would we be if it had not been for the Royal Navy, I repeat? In days to come, when the war is over, I hope hon. gentlemen will keep in mind the words spoken by the hon. member for Vancouver North this afternoon in this house with reference to the Royal Navy. Then perhaps they will think a little more about our place in the commonwealth—absolutely independent, it is perfectly true, but ready to go to work for any of the members of that commonwealth.

The achievements of our own navy have been excellent. The minister states that forty per cent of the convoys that have gone across the ocean are attributable to our navy. That is a great accomplishment, but we would not have been able to do that had it not been for the Royal Navy. We should keep that in mind.

While talking about the Royal Navy I would ask a question in connection with Canadians who joined up with the Royal Navy in the early part of the war. I should like to know what their position will be, as far as pension

rights are concerned, when the war is over. I understand that the boys of the Royal Air Force who are Canadians will have pension rights under our Canadian pension scheme.

One word further in connection with rehabilitation and I am through. My leader mentioned this matter a little while ago, and we have heard references to the subject, as to what we are going to do. The speech from the throne outlined a considerable programme of what was to happen this session, but we have not got very far to date. We have one piece of legislation in bill No. 7, with reference to the industrial development bank, but we have nothing else. A good deal has been said, however, about rehabilitation, and committees have been working on it. I do not know how they are getting on, but there are no bills that we know of. We ought to be working at them, discussing something concrete, instead of something nebulous and vapourous. When the minister has an opportunity, perhaps he has plans that he can tell us about for these lads when the war is over, from the point of view of their rehabilitation. There is no use in just talking about these things. What we need is something definite. The boys in the navy to-day are not interested in mere talk about all these matters; they want to know what the actual plans are and what sort of legislation there will be.

May I conclude with this observation. I cannot say anything too highly in praise of the navy for what they have done for us in this terrible struggle. They are a fine bunch of boys. I know many of them. I will not mention any names, but many of my friends have boys in the Canadian navy and in the Royal Navy as well. Their courage is magnificent, and they are certainly living up to the old traditions of the British navy in this war.

Mr. MATTHEWS: I wish to join briefly with those who have already made favourable comments upon the admirable speech given to us this afternoon by the Minister of National Defence for Naval Services (Mr. Macdonald). To me it was a speech replete with information and of absorbing interest. I suppose the same remarks might be made to apply to all the succeeding speeches, because we have certainly had several very fine addresses.

When the minister was speaking, my mind ran back a good many years to the time when I was at school. We boys then were thrilled by the traditions of the British navy that had come down to us in story and in song. As the minister dwelt upon the recital of the achievements of our present navy I could visualize millions of young Canadians, twenty-five, fifty and a hundred years from now, thrilled as we of an older generation were by that enthralling story, and I could think of the pardonable pride those millions will then take in the achievements of our naval forces of Canada to-day.

Perhaps I was more interested in the minister's speech by reason of the fact that not long ago the son of our next-door neighbour arrived home as one of the victims of a ship that had been torpedoed. He had spent nineteen hours in the chilling waters where his ship went down. He was a young man, one of the most perfect specimens of young manhood I have ever seen, for otherwise he could not have stood it. He came home a nervous wreck. Day after day and night after night he could hear the agonized shrieks of his comrades. He could still see their forms sinking into the surging waters.

But I did not rise to-night to speak so much of that as to pay a few words of commendation to the organization known as the sea cadets. I do this particularly in view of the fact that only about two months ago I received an invitation, which I gladly accepted, to witness the cadet organization in Brandon going through part of their training. I had the privilege at that time of addressing those cadets from the bridge of their training quarters. I had the unique privilege of reading to them a telegram of congratulation that their commander had received from the minister. It was an inspiring telegram, and I wish to tell the minister here and now how greatly those cadets appreciated it. I found at that time Lieutenant-Commander G. P. Woodluck and his staff of assisting officers zealously and with great success training those boys along praiseworthy lines. I felt that here was a group of men who were refraining from the usual recreational evenings of a type enjoyed by many others, who were devoting themselves to the training of boys in the ways of gallantry and gentlemanly citizenship. I can apply the same remarks to the air cadets and the army cadets, whose officers deserve our recognition and our warmest gratitude. They, too, are doing a great work in their own way. They are doing it voluntarily and unobtrusively, but nonetheless effectively. I feel it is due to them to place upon *Hansard* some reference to the devotion to duty that those officers are exercising in many part of Canada.

Mr. CARDIFF: Mr. Chairman, I have no intention of eulogizing the minister, for that has already been done this afternoon; neither do I wish to detract from anything that has been said. We all know that the war has

been brought to the point where it now is, through the efforts of all of the people of the country and not through the efforts of any one man. While the Canadian navy has expanded greatly since the war began, I wish to point out to the minister that if any further expansion takes place, we have in the county of Huron a harbour in which corvettes and smaller craft can be built very nicely. Perhaps not many in this committee know very much about it, because nobody has told them anything about it. The harbour at Goderich accommodates large grain boats. I think more grain comes into that harbour than into any other harbour on the great lakes. I believe that the county of Huron buys more western feed grain than any other county in Ontario. With very little expense I think that harbour could be utilized for building corvettes and smaller craft. In Huron we have contributed many men to the Canadian navy. I should like to impress upon the minister that if at any future time further expansion is thought of, not to forget that we have a harbour in the county of Huron and that we would be glad to build more ships for the navy.

Mr. FRASER (Peterborough West): I have a few questions I should like to ask the minister. I do not know whether they come under this item or not, but I shall ask them anyway. My first question has to do with the naval surplus disposal committee set up by the department. Order No. 3444 has this to say:

> Once an article has been reported as surplus no disposal action is to be taken without instructions from the chairman of the naval surplus disposal committee, naval service headquarters. Responsibility for safe-keeping, et cetera, of the item should remain with the officers presently charged with such responsibility until specific orders as to disposal are received and actually completed by him.

I should like the minister to tell us just how that committee is set up. There are a number of clauses in that order, but it does not say whether the goods are to be put up for tender or not. I think we should know just how they are disposed of and whether the different committees set up in the different ports, such as Halifax and other places, dispose of the goods after word is received from Ottawa, without tenders being called for.

I believe my next question comes under this item. In 1940 a friend of mine tried to enlist in the navy and was turned down. I do not know just what the trouble was, but in December of last year he received his call-up for the army. The hon. member for Cape Breton South (Mr. Gillis) mentioned a similar case to-night. This boy has been called up for the army. In fact he is in the army. He is in as a man who has been conscripted. He feels hurt because he wanted to get into the navy. He feels he should have been accepted in the navy as a volunteer. If the army can take him, surely the navy could. I think there should be some way in which these boys could be checked a little differently by the medical officers.

The minister has not told us how many new civilians have been taken on since the last item went through last year. The item is up about $400,000.

Mr. GRAYDON: May I ask the minister one question? If he cannot answer it now, he may be able to answer it to-morrow if we continue with this order of business. Who are paid the civil salaries and how many people receive them? What do the salaries cover? Before the item carries, I think that information should be available to the committee.

Mr. MACDONALD (Kingston City): I can tell my hon. friend that in a moment. Civil salaries cover 4,715 civil servants who are employed at naval service headquarters, naval dockyards, shore establishments in Canada, the United States, Newfoundland and the United Kingdom.

The hon. member for Peterborough West wanted to know how many we proposed to take on under this item during the next year. We estimate that the number to be taken on in the next year will be 567.

Item stands.

Progress reported.

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

Friday, March 10, 1944

The house met at three o'clock.

RADIO BROADCASTING

CONCURRENCE IN FIRST REPORT

Mr. J. J. McCANN (Renfrew South) presented the first report of the special committee on radio broadcasting, and moved that the report be concurred in.

Motion agreed to.

CANNING FACTORY CROPS

SUBSIDIES ON TOMATOES, CORN, PEAS AND BEANS

Hon. J. G. GARDINER (Minister of Agriculture): Some days ago the hon. member for Fraser Valley (Mr. Cruickshank) asked me

to state at the earliest possible moment the subsidies paid on tomatoes, corn, peas and beans. The subsidies for this year will be as follows:

	Per ton
Tomatoes	$6 00
Corn	4 00
Peas (shelled weight)	10 00
Peas (straw weight)	2 00
Green or waxed beans	7 50

Those are the same subsidies as were paid last year, with the exception of tomatoes, where it has been increased $3 per ton.

Mr. CRUICKSHANK: Following the answers given by the Minister of Agriculture I would like to ask, first, is there any demand this year for an extra supply of beans, corn and peas for Great Britain, and, second, is it the opinion of the government that there are sufficient food supplies on hand to meet the coming invasion ,and other demands?

Some hon. MEMBERS: Order.

PRIVILEGE—MR. MACKENZIE KING

ST. LAWRENCE SUGAR REFINING COMPANY—REFERENCE TO STATEMENT OF MR. BLACKMORE

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I rise to a question of privilege. This is a question of privilege which goes far beyond any personal consideration and which in my opinion is a matter of the privileges of parliament itself. Speaking in this house on Tuesday night last the hon. member for Lethbridge, the leader of the Social Credit group (Mr. Blackmore), made a statement, the general effect of which was that the government in dealing with the war time supply of sugar had taken a course which was detrimental to the public interest and this because of some "relationship existing between the government" and an alleged "great sugar combine" and between "the government" and what he termed "the head of this corporation, one John W. McConnell." The statement to which I refer will be found in *Hansard* of Tuesday, March 7, at page 1278 and is as follows:

> I believe that quantity and price have been affected, not so much by the circumstances of war, as by the fact that prior to the war and also during the war the production and sale of sugar have been manipulated by a sugar trust or combine, and that one of the dominating units in this trust has been the St. Lawrence Sugar Refining Company.
>
> [Mr. Gardiner.]

And again:

> I suppose hon. members would be surprised to know that since the war broke out, men came into this city and went to see responsible officials in the dominion government and offered to bring into Canada three sugar factories, and they were refused the concessions which they needed in order to give them a chance to establish sugar factories to produce sugar in this country. The men in charge of the government chose rather to let the Canadian people go short than risk an abundance of sugar—an abundance which they dreaded.

Then elsewhere:

> I am going to ask questions which I believe ought to be answered. What is the relationship existing between the government and this great sugar combine, and between the government and the head of this corporation, one John W. McConnell? Why has the government condoned this manipulation in the sugar industry? It would allay considerable suspicion in this house and throughout the country if the Prime Minister (Mr. Mackenzie King) would rise and categorically state that the Liberal party has never received, directly or indirectly, from the St. Lawrence Sugar Refining Company, from J. W. McConnell, or from anyone representing either or both of these, or any other Canadian sugar interest any contribution of money for the campaign funds of the Liberal party.

I resent very strongly the insinuations and implications which these words carry with them and which, broadly construed, are a reflection upon all political parties, and upon all governments. They are equivalent to saying that because contributions are made to campaign funds of political parties, the government that may be in office or returned to office is, because of contributions made to the campaign fund of the party to which its members belong, to be regarded as unworthy of holding a public trust, and the ministers of the crown as violating the oaths by which they are sworn to office. Such an insinuation is a reflection upon the honour and the integrity of every member of this house, and upon no one does it reflect more immediately than upon the hon. member who has thus disclosed with what judgment he judges the political conduct of others.

Except in the inferences which the hon. member seeks to have drawn from it, this question of campaign funds is not pertinent. What is pertinent, and what, as I have said, I resent very deeply, and so far as the Liberal party is concerned, deny most emphatically is the suggestion that the present government of Canada or any member of it would betray its trust at the instigation of any corporation, any special interest, or any individual. I believe the representatives of all other

parties in this house should, and on reflection will, equally resent and repudiate suggestions of this character. It is irresponsible and unwarranted utterances such as these, both inside and outside the house, which tend to destroy the faith of the people alike in government and parliament, and this at a time when faith in democratic institutions was never more needed than to-day.

What are the facts about sugar? They will show that the hon. member for Lethbridge was as wrong in his alleged facts as he was in his innuendoes. As hon. members know, at the very beginning of the war the government acted promptly and drastically to control the distribution and price of sugar, a control which has operated so effectively that available supplies have been fairly distributed and the price kept at a level about one-third of what it was at a comparable period in the last war. If, as alleged, the government had wished to assist the sugar refiners, all it had to do was to stay its hand, and allow those interests to reap the benefits of the enhanced prices which would inevitably have followed.

And what in fact has been the attitude of Mr. John W. McConnell? As long ago as April 10, 1939, I received the following letter from Mr. McConnell:

St. Lawrence Sugar Refineries Limited
Dominion Express Building
Montreal, 10th April, 1939.

Personal.
Rt. Hon. W. L. Mackenzie King,
Prime Minister of Canada,
Ottawa, Ont.

Dear Mr. King:

In the event of war—which heaven forbid—Canadian industry must cooperate to the limit with the government, particularly where essential food supplies are involved.

Having this in mind, I wish now to assure you that the plant of the St. Lawrence Sugar Refineries will be placed unreservedly at the disposal of the government.

With kindest regards,

Yours sincerely,
J. W. McConnell,
President.

My reply to Mr. McConnell reads as follows:

Office of the Prime Minister
Canada

Ottawa, April 14, 1939.

Personal.
J. W. McConnell, Esq.,
President,
St. Lawrence Sugar Refineries, Ltd.,
Dominion Express Building,
Montreal, Que.
Dear Mr. McConnell:

I wish to acknowledge and thank you for your personal letter to me of April the 10th, in which you state that in the event of war the plant of the St. Lawrence Sugar Refineries will be placed unreservedly at the disposal of the government.

I also wish to express my appreciation of the spirit which prompted you to give this assurance. While we all trust that such a tragic event may not come to pass, it is encouraging to the government to have, in these uncertain days, such a prompt evidence of willingness to cooperate, should the need arise.

With kind regards,

Yours very sincerely,
W. L. Mackenzie King.

When subsequently war broke out and it became apparent that sugar prices might rise suddenly, Mr. McConnell's patriotic offer to turn over to the government the sugar corporation in which he had an interest was not accepted only because the control arrangements promptly instituted by the government served an equal purpose without disturbing efficient management.

At a very critical stage of the early months of the war, Mr. McConnell's firm, in common with sugar refineries elsewhere in Canada, cooperated fully with the government in supplying an abnormal war demand for sugar. This cooperation placed very heavy extra demands upon both plant and shipping facilities. It was carried out without any financial benefit beyond the payment of pre-war prices for the sugar involved. Since the office of sugar controller was established in October, 1939, the St. Lawrence Sugar Refineries have been subject to the regulations as to prices and materials which apply to all sugar refineries. The industry as a whole has given loyal cooperation to the government throughout the war, and it is to be regretted that any attempt should have been made from this house to create a contrary impression.

In the ways I have mentioned and in numerous other ways, Mr. McConnell, time and again, has demonstrated his whole-hearted devotion to Canada's war effort. In my opinion his readiness to place the interests of Canada ahead of his own business interests has not been surpassed by any citizen.

I notice also on page 1278 of *Hansard* that after an interjection by the hon. member for Weyburn, the hon. member for Letbridge said that he would be equally relieved to receive an absolute assurance from myself that Canada Packers had made no contribution to the Liberal party's campaign funds. All that I have said as to the insinuations, implications and innuendoes of the hon. member's reference to Mr. McConnell and the sugar refineries applies with equal emphasis to this part of the hon. member's remarks.

Mr. BLACKMORE: Mr. Speaker, I have only this to say. The sugar question is not finished with yet in this session of parliament.

GRANBY MINING CORPORATION

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, the hon. member for Rosetown-Biggar (Mr. Coldwell), suggested yesterday that during a debate "in this house in April, 1940" the government admitted approving the Granby exports, and it was on that that he based his statement of May 20, 1940. I might say to my hon. friend that the house was not sitting in April, 1940. The session opened on May 16, only four days before the hon. member's statement. There was at no time any admission of government approval of the contract between the Canadian and Japanese companies. The only approval that enters into the question is that which might be implied in the issuance of export permits. I find that permits were required for the export of metals from Canada to any destination as from September 20, 1939. Their issuance, in so far as the Granby case is concerned, ceased on October 8, 1940. This was fourteen months before the war with Japan.

I might add that among the documents tabled on the Granby Mining Corporation there is a letter dated September 4, 1940, from myself to the President of the Canadian Legion, British Empire Service League, which explains in detail the export control policy of the government.

LABOUR CONDITIONS

INDIAN COVE COAL COMPANY MINES, NOVA SCOTIA

On the orders of the day:

Mr. CLARENCE GILLIS (Cape Breton South): Mr. Speaker, may I be permitted to address a question to the Minister of Munitions and Supply? It arises out of a telegram received from the secretary-treasurer of the mine workers' union in Nova Scotia setting out that the employees of the Indian Cove Coal Company have been idle for the past week. My information is that this company's output is largely taken by the Canadian National Railways. Can the minister explain to the house why this mine should be idle at the present time?

Hon. C. D. HOWE (Minister of Munitions and Supply): Mr. Speaker, my hon. friend gave me notice of this question, and I have the information. I am told by the coal controller that there is no slow-down at the Indian Cove Coal mine for lack of railway orders, but rather that it arises from the difficulty of obtaining railway cars. Apparently there has been a bad blizzard in that district, and the railway company has not been able to move any equipment.

ALUMINUM

REDUCTION OF PRICE BY ALUMINUM COMPANY OF CANADA

On the orders of the day:

Hon. C. D. HOWE (Minister of Munitions and Supply): In reply to a question asked yesterday on the orders of the day by the leader of the opposition (Mr. Graydon) I promised to give the house a copy of a communication received from the Aluminum Company of Canada, Limited, with reference to a reduction in the price of aluminum ingot affecting deliveries under the contract with the Metal Reserve Corporation of the United States, and deliveries under the contract with the government of the United Kingdom.

I now produce a copy of a telegram received under date of November 1, 1943, from Mr. R. E. Powell, president of the Aluminum Company of Canada, Limited, in which advice is given of these reductions; also copy of a letter received in reply to that telegram, and a letter received under date of January 15, 1944, from Mr. P. S. White, assistant to the president of the Aluminum Company of Canada, Limited, in which advice is given that amendments of the contract price in the contract with the government of the United Kingdom will also apply to the contract with the government of the Commonwealth of Australia.

These reductions were made possible by the fact that the main construction programme is finally complete, and the company is now in a position to operate at maximum capacity.

(Telegram and letters follow):

Montreal, Que., Nov. 1. 1943

Hon. C. D. Howe,
Minister of Munitions and Supply,
Parliament Buildings, Ottawa.

Effective to-day all shipments crude aluminum to Metals Reserve Company will be billed at fifteen cents per pound U.S. currency instead of eighty per cent at fifteen cents and twenty per cent at seventeen cents. Also effective to-day all shipments of crude aluminum to the United Kingdom will be billed at fifteen and one-half cents Canadian currency instead of sixteen cents. Foregoing refers to base prices.

R. E. Powell.

November 2, 1943

Dear Mr. Powell,

I have your wire of November 1 as follows:

"Effective to-day all shipments crude aluminum to Metals Reserve Company will be billed at fifteen cents per pound U.S. currency instead of eighty per cent at fifteen cents and twenty per cent at seventeen cents. Also effective to-day all shipments of crude aluminum to the United Kingdom will be billed at fifteen and one-half cents Canadian currency instead of sixteen cents. Foregoing refers to base prices."

Although your wire does not mention a reduction in price to Australia I assume that metal to Australia will be billed at fifteen and one-half cents, Canadian currency, also. Please advise me about this.

This voluntary reduction in base price on British and (I hope) Australian contracts is greatly appreciated by myself as agent for these two governments. I am cabling the British government to-day, and I am sure that the news will be well received.

Please permit me to express the appreciation of the Canadian government for the spirit with which transactions in which we are interested have been carried out on the part of your company.

Yours sincerely,

C. D. Howe.

R. E. Powell, Esq.,
President,
Aluminum Company of Canada, Limited,
Montreal, Que.

Aluminum Company of Canada, Limited
1700 Sun Life Building,
Montreal,
15th January, 1944.

Hon. C. D. Howe,
Minister of Munitions and Supply,
Department of Munitions and Supply,
No. 1 Building,
Ottawa, Canada.

Dear Mr. Howe:—

In our letter of 3rd November 1943 we advised you that, as soon as some administrative details were settled, we would give effect to the reductions in base price in our metal contract with Australia corresponding to the reductions given to the United Kingdom.

We can now advise you that an amendment to our contract with the government of the Commonwealth of Australia, dated 24th July 1941, is being submitted to your department. The amendment extends to the Australians the price reductions given to the British in 1943, that is, the Australian base price will be 17 cents Canadian per pound from 1st January to 31st October 1943 and 16½ cents Canadian per pound from 1st November 1943 until 31st December 1944 or until the 183rd day after the cessation of hostilities between Australia and Germany, whichever shall be the later.

Yours very truly,

Aluminum Company of Canada, Ltd.
Paul S. White,
Assistant to the President.

INCOME TAX

POSSIBILITY OF EXTENSION OF TIME FOR FINAL RETURNS

On the orders of the day:

Mr. G. K. FRASER (Peterborough West): Mr. Speaker, I should like to ask a question of the Minister of National Revenue. Yesterday's issue of the Montreal *Star* had this to say:

The national war finance committee in charge of the sixth victory loan campaign next month is most prominent among many who have made representations to the government—

Some hon. MEMBERS: Order.

Mr. FRASER: Then my question is this: is the final date of payment and the filing of returns for the 1943 income tax to be April 30, 1944, or will extra time be given for taxpayers to file their returns?

Hon. C. W. G. GIBSON (Minister of National Revenue): The final date for filing returns is set out in the statute. For individuals it is April 30, 1944, and no extension is contemplated.

PRICES AND TRADE BOARD

APPLICATION OF OAKVILLE RETURNED SOLDIER FOR BUSINESS LICENCE

On the orders of the day:

Mr. GORDON GRAYDON (Leader of the Opposition): Mr. Speaker, I should like to ask a question of the Minister of Finance, and at the same time to extend to him a welcome back to the house. Perhaps the minister will not be in a position to answer my question to-day, because I had not an opportunity to give him notice of it. I should like him, if he would, to give consideration to a matter which involves a veteran of this war, Mr. John Foster, of Oakville, Ontario, who up to the present time has been denied the opportunity of getting a licence from the wartime prices and trade board for the operation of a business in that town.

Some hon. MEMBERS: Order.

Mr. GRAYDON: I am asking the minister to give this matter his consideration, in view of the fact that it has become a public issue in the press of to-day.

Hon. J. L. ILSLEY (Minister of Finance): I shall look into the case, ascertain the facts, and inform my hon. friend of the considerations involved.

Mr. ROEBUCK: I have ten cases I should like to ask the minister to look into.

SOCIAL SECURITY

RECOMMENDATIONS OF SPECIAL COMMITTEE OF LAST SESSION

On the orders of the day:

Mr. MAXIME RAYMOND (Beauharnois-Laprairie): Mr. Speaker, at the last session the special committee on social security made

a report to the house in which there were several recommendations, one of which read as follows:

That the government review the existing regulations governing old age pensions, pensions for the blind, and war veterans' allowances, and consider the advisability of adjusting the eligibility age to a lower level and of increasing the amount of pension.

Is it the intention of the government to give effect to this recommendation?

INDUSTRIAL DEVELOPMENT BANK

PROVISION OF ADDITIONAL CREDIT FACILITIES FOR FIXED AND WORKING CAPITAL

The house resumed from Tuesday, March 7, consideration of the motion of the Minister of Finance for the second reading of Bill No. 7, to incorporate the industrial development bank.

Mr. J. G. DIEFENBAKER (Lake Centre): Mr. Speaker, I wish first to refer to the preamble of the bill, in order that the extent to which it is to be applied may be understood. The preamble recites:

By increasing the effectiveness of monetary action through ensuring the availability of credit to industrial enterprises which may reasonably be expected to prove successful . . . by providing capital assistance to industry, with particular consideration to the financing problems of small enterprises.

There is also a third reason for the measure, which can be deduced by an examination of the speech from the throne, in which we find this paragraph:

To assist in the conversion of war plants and in the development of small and medium-scale industrial enterprises, the provision of additional credit facilities, for both fixed and working capital will be required. To meet this need, your approval will be sought for the establishment of an industrial development bank as a subsidiary of the Bank of Canada.

I mention this at the outset so that I may deal with the three matters in respect to which the expenditure to be made under this bill is proposed to be used. I say quite frankly that in so far as the bill is designed to assist small industrial concerns, which are the backbone of the nation, there can be no argument, and I support it. Small industrial concerns throughout the past four or five years of war have been strangled in that they have not been given the opportunity to secure a fair and proper share of the wartime business of this nation. While hundreds of millions of dollars have been advanced to assist great industries, small industries have been gradually passing out of existence. It is interesting to note that in 1941, in comparison with 1940, in every part of Canada that small industries received a lesser amount of the total business done by the nation when compared with the share of the larger industries.

Referring first to the western provinces, I find that in 1940 there were in Manitoba, out of a total number of 1,171 industries, 698 with production to a value of less than $25,000, and 130 with production valued at between $25,000 and $50,000. In Saskatchewan there were 814 industries, of which 592 produced under $25,000, and 78 between $25,000 and $50,000. In Alberta there were 1,068 industries, of which 734 produced under $25,000, and 113 between $25,000 and $50,000. The overall picture in Canada was that of 25,513 industries in 1940, in the first category there were 15,478, and in the second, 2,954. I wonder whether I could possibly get the attention of the Minister of Munitions and Supply (Mr. Howe) to the matters to which I am referring—

Mr. HOWE: Talk to the Minister of Finance; it is his bill.

Mr. DIEFENBAKER: —and in respect to which members have the right to have his hearing. This matter deals with his department and he might very well endeavour to follow the suggestions offered by the party in opposition.

Mr. HOWE: The few remarks of the hon. gentleman at the outset were so wholly fictitious that I did not think it worth while listening to the rest. He said that small industries had been discriminated against. I am prepared to give statistics to show that small industries have been made into big industries, and therefore there are no longer any small industries.

Mr. DIEFENBAKER: There have been occasions in the past when the minister has made a similar comment upon statements I have made but which turned out to be correct. The statistics I am about to quote do not come from the Department of Munitions and Supply; they were issued by the Dominion Bureau of Statistics.

Having indicated in general the situation in this regard, I wish now to deal in detail with the matter. So far as the minister's department is concerned, the attitude since the beginning of the war has been to neglect smaller industries, even though they could have contributed to the war effort, and to give orders in the main to the greater industries. If this bill represents a changed attitude in that regard, all I have to say is that with the approach of an election the government now wishes to place itself in the position of being able to say to the small industries:

We will now give you the chance which thus far has not been given to you during this period of war.

I realize that the difficulties of the transition period between war and peace will be greater than those of the transition period between peace and war. I commend to the membership of the house one of the finest reports that has been issued on the subject of peace and war and the adjustment policy in the United States. I refer to the report by Bernard M. Baruch and John M. Hancock, which deals, among other matters with post-war adjustments and with the question of financing small corporations. I quote:

It is an easier task to convert from peace to war than from war to peace. With the coming of war a sort of totalitarianism is asserted. The government tells each business what it is to contribute to the war programme —just what it has to make and where it is to get the stuff out of which to make it. Patriotism exercises a strong compulsion. With peace, the opposite becomes true. Each has the right to make what he pleases. Governmental direction and aid disappear. The markets become free and each individual is dependent upon his vision, his courage, his resourcefulness and his energy. Everyone has the privilege of building up, but no one has the right to pull down.

To return to the point I was making a little while ago; I had pointed out that the trend to which I referred, that of disregarding small industry, is clearly evidenced by the figures which I have from the Bureau of Statistics. They show that in 1940 the production of companies, 15,478 in number, producing under $25,000, was $138,000,000, in round figures; between $25,000 and $50,000 the production of 2,954 companies was $104,000,000. Taking the great corporations, which the minister said did not receive a preference, I find that there were 677 corporations in Canada producing between $5,000,000 and $10,000,000, and producing over $5,000,000 there were 123 corporations. In 1943 the trend towards the great corporations had been accentuated. In 1941, while the companies producing under $25,000 per annum sold a total of $121,000,000 worth, those between $25,000 and $50,000 sold $116,000,000 worth, the companies producing between $1,000,000 and $5,000,000 sold $1,755,000,000 worth, and those over $5,000,000, 198 in number, sold $2,459,000,000 worth.

This has been the trend throughout Canada, and the bill now before the house will not stop it. The small entrepreneur in Canada has been at the mercy of the various boards set up by government. The proposed legislation will not be of particular benefit to the small business man, or enable the returned soldier to establish himself in business, unless the type of business in which he may engage is widened.

As the bill now provides, the only businesses that can be assisted are manufacturing concerns, or enterprises engaged in processing, power development, and the like. The statement to which I have referred, giving the viewpoint of the United States and the recommendation with regard to small business, is of particular application to Canada. It states that small business is:

The broad backbone of enterprise, that as production controls are relaxed particular care should be taken to protect the competitive positions of small business as far as practicable within the needs of the war. Cancellations of war contracts can be guided to permit the earliest releasing of small concerns which can convert back to peace-time production; also certain nuisance production controls involving only a limited amount of resources which press heavily on small concerns can be relaxed sooner than broader production controls.

The Baruch report, which is of profound interest to Canada, has recommended that so far as small industry is concerned, restricted and curtailed as it has been during the war in the switch from war-time to peace-time reduction, cash should be available to renovate plants and to tide over existing companies to permit other businesses to do things by which civilian goods can be produced. Under this bill loans can be made only to corporations engaged in manufacturing, and to power companies. It does not cover many other small concerns to which soldiers returning to the country will wish to devote themselves. Agriculture is not included. Agriculture, we are told, will be included in a subsequent bill, but as it stands to-day, the hope that this bill will to any great extent contribute to the establishment of businesses by returning soldiers is unjustified.

The recommendations in the United States are that so far as war production is concerned the lending authorities should be restricted to the Smaller War Plants Corporation. For permanent risks which the banks cannot assume, the federal banking system should be given authority to make industrial loans.

One other matter that I think should be considered by the government at this time is the whole question of taxation. No one objects to taxation in time of war. No one resists the very high taxes which we have for corporations, for individuals and for all; but when peace comes, in order to build up industrial development, those who intend to engage in industry should have some indication now from the government as to the policy it intends to adopt in the transition period.

In the United States the Baruch report states that taxes have not been too high for war time; if anything they have been too low. That is admitted, but it is pointed out two of the first problems that must be faced in the period of transition to peace is the encouragement of new industry and the determent of monopoly, both of which can be effectuated by the removal of excessively high taxes. It recommends that the government of the United States should indicate now the nature of its taxation plans; for unless taxation is to be reduced in a measure when the war is over, the returning soldier desiring to enter small enterprise will find himself unable to pay off any loans he may have negotiated; in the words of the report, "he will be chained like a galley slave to a loan he can never repay."

Our whole tax system should be part and parcel of the picture of rehabilitation after the war. We have heard nothing at all about the plans of the government. There are wrongs in the present taxation system, and one of them is this: it allows officials in the tax department a discretionary power which is contrary to the principles of parliamentary government. We had an example yesterday of how a board acts toward the representatives of the people. Yesterday the hon. member for Lambton-Kent (Mr. MacKenzie) asked a question, as reported at page 1297 of *Hansard*, with regard to the present remuneration of certain individuals in the employ of the Canadian Broadcasting Corporation. The answer given by the minister was:

> This information has not been made public in the past, as it was not deemed in the public interest to do so.

This shows the attitude of some boards and some controllers. It shows a disregard of the rights of parliament. Would an answer to this question with regard to salaries hurt the war effort? Could there be anything in it that would be beneficial to the enemy? Time and time again we are told in this house that we cannot get information because the government or the board set up by the government takes refuge behind the statement: "It is not in the public interest."

The time has come when there should be a declaration of policy on the part of the government with regard to small businesses. We do not know what the post-war picture will be. We do not know what the plans of the government are. They give them to us haphazardly, in piecemeal and indefinite fashion. They place before the house a bill with regard to loans, but do they give us the picture? Do they say what they are going to do to assist small industry to reconvert after the war? According to the Baruch report in the United States the first consideration of the government should be the early release of small industrial plants from war production in order to encourage small industry. That recommendation applies particularly to industries that can be readily converted, and where there are cancellations of industrial production, smaller enterprises should be permitted to return to production first. There is not an hon. member in this house who has any conception of what the plan is of the minister. If he has a plan, so far it has not been placed before the people.

During the past four years the prairie provinces, and to a lesser degree the maritime provinces, have been discriminated against or deliberately ignored in the development of war industry. There has been a tremendous exodus of people from the western provinces, many of whom will desire to return. This proposed legislation, if it is to be effective, must be made effective now. It must be more than a scheme to dangle before the eyes of those who desire to go into industry. It must have teeth in it. When I see the situation in the three western provinces, the failure of the government to develop industry there during war time as it should have been developed, I fear for the future in the post-war period with respect to the use to which moneys will be placed by this corporation. My own province of Saskatchewan produces twelve million bushels of flax. The sunflower seed crop is nine million pounds. The oilcake derived therefrom is required for our stock by our dairy men. While our province produces fifty per cent of the flax crop in the prairie provinces, and requires this cake for protein supplement, the production has gone ahead in other provinces and the live stock producers in Saskatchewan have to pay top prices.

The hon. member for Moose Jaw (Mr. Ross) has been particularly advanced in his ideas in this regard and has pressed his ideas on the government. There are hon. members on both sides of the house who have done the same thing, but for some reason the western provinces have not received consideration in the matter of war development and war plants. Two plants have been set up in the last two years in the east to process oilseed, one in Hamilton and the other in Toronto. I should like to ask the minister under whose control this matter comes while the war is on. What is the government going to do to assure that a fair portion of the moneys available for small enterprise under this measure will be available in the maritime provinces and in the prairie provinces?

If Canadian economy is to be built up on the basis of Canadian unity, an effort must be made now to bring about decentralization of

industry. True, some of our western provinces have not the same facilities, but each province should, according to availability of raw products, be given an opportunity to build up a diversification in industry. That is of the essence of the rebuilding planned in the United States. The national resources planning board in the United States have been viewing the situation that confronts the people there, and their report sets out the whole position in a very few words. I quote:

> One of the aims of post-war conversion should be to achieve a better regional distribution of manufacturing activity. The desirability of greater industrial decentralization has long been apparent. There is considerable room for such decentralization despite the opposing advantages of regional specialization. Manufacturing activity could bring to agricultural regions a higher income, and a more balanced and diversified economy. In many instances, decentralization would reduce cross-hauling of raw materials and manufactured goods, and thereby considerably reduce distribution costs. In addition to such economic and social gains, there would be important advantages for our future national defence.

Before this bill goes to the committee the government should give us a picture of what it intends to do with reference to the decentralization of industry in this country. We are trying to assure ourselves now that there shall not be unemployment after the war. Pious expressions of hope without action will be ineffectual. The transition to peace will be difficult—more difficult, as I have already said, than was the transition from peace to war. I hope this legislation works. It can be made to work, but not, as I see it, on the basis of the generalities set forth in the bill as presented.

This type of legislation is a novelty in Canada, though it is not new in the United States. Just because it is new some people may oppose it. I have always believed that political parties, no less than individuals, must not worship the past; their membership must not suffer from neophobia, the fear of new things. Everything must be tested, not on the basis of its tradition or its novelty but on the basis of whether or not it will be workable. To that end I suggest, in order to assure that little enterprises across Canada shall receive consideration, that certain steps should be taken in connection with this measure.

In the first place we must assure that the small amount which is to be available, $75,000,000 to $100,000,000, is not distributed in large amounts to a few great corporations, thereby rendering small enterprises unable to obtain their fair share. If this legislation is designed in the main to support the small enterprise, then I suggest that some sort of limitation or restriction should be imposed upon the amount that may be lent by this organization, as was suggested the other evening in the able speech of the hon. member for Queens-Lunenburg (Mr. Kinley). In the second place, to guard against any suggestion of political interference in connection with the various branches which are to be set up, loans should not be made without the approval of the central board of directors.

There should be some further restrictions. We are actually giving a number of individuals carte blanche to expend money, and this bill does not contain any provision limiting the powers of the board so far as loans are concerned. Private banks are limited; trust companies are limited. They lend the money of their shareholders. Is there any reason why similar limitations and controls should not be imposed upon the lending powers of a government institution? Otherwise, as I say, parliament will be giving this organization a blank cheque for the disbursement of the people's money.

I come now to the next and larger phase, that having to do with the war effort and rehabilitation scheme as a whole. As I see it, this bill brings into focus and sharp relief the whole question of the shift after the war to peace-time production. It is designed to make the road of reconversion easier. But what is the plan of the government? No one has ever heard it. We get it piecemeal; we get one act now and another act again. The time has come when this country should have placed before it the master plan which the government no doubt has and which will deal with such important matters as the unwinding of the war machine, the disposal of government owned or financed war plants, the cancellation of war contracts, and the allotment now to various industries of the production of civilian goods.

With reference to these matters this house and the country know little. In the United States a plan already is being evolved and placed before congress. Contract termination is the first step. The time has come, I believe, when the membership of this house and the country should be informed as to what production is to be cancelled this year, what industries are to be closed out, and what is to be done with such industries. In the United States, according to reliable information, the producers of ammunition, small arms, tanks and tank parts, as well as other munitions of war, have achieved such production as to necessitate the cancellation of any further orders. In that country a uniform cancellation clause has been established. If that has

been done in Canada, no one knows about it. The war assets corporation has been set up, another of the corporations independent of parliament. I have no objection to the setting up of corporations when they are to carry out the plans and decisions of the representatives of the people, but I believe we in this house have a right to full discussion of this subject, to have placed before us the government point of view with respect to rehabilitation in industry after the war, to the end that hon. members may be permitted to discharge their responsibility of placing before the government and the country the views of a large portion of our people.

I have been asked, where is the plan? This bill is not the plan; it is just one segment of the entire picture. We as members of this house, business people, those engaged in small enterprises, the men overseas who intend to return and establish small industries—all have a right to know the plan of the government. It may not be complete in detail, but it can be a comprehensive plan the details of which may be filled in subsequently. I repeat, what is being done in Canada? Is there a uniform cancellation system? Has a body been set up similar to the body in the United States, where some two hundred government contract officers are studying the whole question and will later go throughout the country advising industry as to how production may be reduced in one line and increased in others? I ask, does the government intend now to stop the freezing of small industries so far as the men returning from overseas are concerned? Those men are coming back now in small numbers. May they establish themselves in industry? May they open country stores? May they go into the types of business they followed before the war? Oh, no. That privilege should be guaranteed to them. They should be given permission by parliament; the wartime prices and trade board should immediately relax the freezing order in relation to the establishment of industries as applied to the ex-service men.

When there is a lessening in any branch of war production, I should like to know if the government has decided what civilian commodities will be produced and what businesses are to be taken out from the freezing order, in order that employment may be maintained. Has the government a plan as to what civilian production will come first? What of the surplus of army goods, the stocks of food on hand to-day, and so on? All these are parts of the whole picture, without which none of us can intelligently discuss the post-war problem as affecting industry, or the question of advancing money to assist industry. When the transition period comes and we return to the production of civilian goods, new machinery will be required, repairs will be needed, plant alterations will be necessary, and so on. Is it not about time the Minister of Munitions and Supply and those associated with him, and the Minister of Finance, advised the country whether in the reestablishment of these business enterprises such expenditures will be deducted in arriving at net income for taxation purposes?

There are other phases of this matter that could be dealt with, but they can be covered when we are taking up the different sections of the bill. I ask the minister or his parliamentary assistant to place before this house and the country something of the picture, something of the plan. Sometimes I wonder whether there is a plan. To-day there is this piece of legislation; to-morrow there is another. No one can put together this bits-and-pieces post-war programme. I should like to see it reconstructed by those in authority, to the end that business may know its position and, above all, that the men and women returning from overseas service may not be denied, as they are to-day, the opportunity to go into small enterprises but will be given the opportunity to do so, and that the money to be made available under this bill shall be devoted mainly to the assistance of small enterprises.

Mr. VICTOR QUELCH (Acadia): Mr. Speaker, I have read this measure with a great deal of interest, but the more I study it, the harder I find it to understand just exactly its purpose. I have listened to the statements of various members of this house. Some hon. members have suggested that the purpose of the measure is to salvage investments of the chartered banks which have gone sour. Others have suggested that it is to take on business which is too risky for the chartered banks to handle. The minister himself has suggested that its purpose is to fill in the gap that cannot be filled by the chartered banks.

We have no idea of what will be the rate of interest charged by this bank, neither do we know whether it will secure its funds from the Bank of Canada or by the sale of bonds to the public. We do not know what rate of interest those bonds will bear. In other words, it is a kind of pig in a poke; it is quite a bit like a blind date. You do not know what you are going to get, you do not know whether you will like it when you get it, and you do not know whether you will be able to discard it after you have it.

When we consider the expansion that has taken place during the war, an expansion which has increased the national income from around $4 billion to $8½ or $9 billion, I doubt very much if this measure will be able to play a very important part. I doubt still more whether there will be any need for such a measure after the war. This measure provides a fund of only $100 million, and, according to the parliamentary assistant to the Minister of Finance, the money will be lent out chiefly for long term purposes.

Mr. ABBOTT: Medium and long.

Mr. QUELCH: Medium and long. The result will be you will not have a rapidly revolving fund and the amount of business the bank will be able to do will not be very great. When you think of a $9 billion economy it will be merely a drop in the bucket.

As I understand it, the bonds of this bank are not to be guaranteed by the government, but I think the minister will agree with me when I say that the government could not possibly allow this bank to go by default. If there were any danger of this bank going by default the government would have to be prepared to come to its assistance. On the other hand, as these bonds are not guaranteed by the government they will have to bear a higher rate of interest than dominion bonds. As the government will have to back them in the event of the bank getting into trouble, it seems to me they should take steps to see that the rate of interest to be paid is no higher than that paid on dominion bonds. Otherwise you will be compelling industry to pay unnecessarily high rates of interest.

The minister has stated that it is not intended that this bank shall compete with the chartered banks. Perhaps that is one reason why this bank is not to be a bank of issue. In other words, it is being shackled so that it cannot compete with the chartered banks. It is not a question of whether it wishes to compete; it is being placed in such a position that it cannot compete even though it desired to do so. Perhaps that is the reason why the bonds will likely be sold to the public or to the chartered banks rather than to the Bank of Canada. It seems to me that the government are deliberately creating a set-up which will bring about higher rates of interest on industrial loans.

The parliamentary assistant has stated that this bank is needed to fill a gap. I should like to quote what he said about that gap. On page 1059 of *Hansard* he is reported as follows:

> The chartered banks are one source of credit for industrial enterprises. But since the liabilities of these banks are mostly in the form of deposits withdrawable on demand or short notice, it has always been thought desirable that they should keep their assets in rather liquid form—easily realizable in case of need.

And again:

> For the reason I have just mentioned, the chartered banks for the most part have made short term loans to industry—loans which in the ordinary course of business can be paid off in full at least once a year. Accordingly, they have been most important as a source of working capital for industry rather than as suppliers of long term funds which might only be repaid over a period of several years.

And again:

> It is to fill this gap in our financial structure and to ensure that adequate financing is forthcoming for desirable projects that the government proposes to establish the Industrial Development Bank.

That would seem to be a desirable objective, but unfortunately the resources of this bank are going to be limited and it is doubtful whether it will be in a position adequately to fill the gap. It seems to me that if there are gaps, and undoubtedly there are, then the first step we should take is to amend the Bank Act in such a way that these may be filled. We could very well let this measure stand until the Bank Act has been revised. When that has been done, and we have found out what gaps are left still to be filled, there would then be plenty of time for the government to bring down a measure to provide for the filling of them.

I want to consider briefly the situation referred to by the parliamentary assistant. I quote again from page 1059 as follows:

> But since the liabilities of these banks are mostly in the form of deposits withdrawable on demand or short notice, it has always been thought desirable that they should keep their assets in rather liquid form.

In other words, it might be said that the chartered banks are lending something which they do not in reality possess. Because the chartered banks are able to create loans at the ratio of ten to one against their cash reserves, they are not in a very sound position to make long term loans. If there was a run upon the banks they would be in the unfortunate position of being able to pay only approximately ten cents on the dollar. Naturally they try to remain in as liquid a position as possible.

On previous occasions in this house we have discussed this matter. Members of this group and of other parties in the house have suggested that it might be well worth while for the government to consider making amendments to the Bank Act along the line of the

one hundred per cent system. I think the minister is familiar with the proposal as suggested by Professor Soddy and later taken up by Professor Irving Fisher and later endorsed by Babson's Incorporated. Briefly the proposal is to amend the Bank Act so that the chartered banks will be compelled to maintain one hundred per cent cash reserves to the full amount of their demand deposit liabilities. If that were done, the banks would be in a position at all times to satisfy any demand against their demand deposits. The proposal is that the government should buy from the chartered banks a sufficient quantity of government securities to provide the legal tender backing required on that basis. The Minister of Finance has on several occasions opposed such a suggestion on the ground that it would be, in other words, a tax on the profits of the chartered banks. But there is an alternative to that proposal by which the banks would not be in any way penalized. That proposal is made by Babson's. It is a slight modification of the suggestions made by Professor Irving Fisher and Professor Soddy. I should like to quote briefly from Babson's Reports dated March 20, 1939, in regard to this proposal. I shall quote only paragraphs 7 and 10. Paragraph 7 reads:

> In order that our monetary policy may be made to conform to the new standard and become the means of attaining a high degree of prosperity and stability, legislation should be enacted, embodying the following features: (a) there should be constituted a "monetary authority" clothed with carefully defined powers over our monetary system, also control of the circulating medium.

And paragraph 10:

> The simplest method for making transition from the fractional to one hundred per cent reserves would be to authorize the monetary authority to lend, without interest, sufficient cash (federal reserve notes, credit, United States notes, or other lawful money) to every bank or other agency carrying demand deposits to make the reserve of each bank equal to its demand deposits on a specified date.

If that recommendation were carried out rather than the proposal by Professor Irving Fisher, it could not be charged that you would be taxing the profits of the chartered banks, because instead of buying up the bonds held by the chartered banks and thereby depriving them of the interest thereon, you would lend to them as collateral legal tender without interest against their holdings of government securities, and if there were a run on the chartered banks they would then be in the position of being able to meet all demands one hundred per cent. Moreover, it would be a great help to the government, because there would be no danger of inflation. The government would be in the position of issuing national money wtihout any danger of the chartered banks using the money issued by the government as a basis for expanding their loans in the ratio of ten to one. The charge has been made repeatedly in this house by the Minister of Finance and the former minister of finance who have refused to issue new money on the ground that it would create inflation. But this proposal would take care of that danger.

Some people object to the one hundred per cent idea on the ground, with a good deal of justification perhaps, that while the one hundred per cent system would prevent the banks from inflating the money in circulation, it would not, on the other hand, prevent the chartered banks from curtailing the issue of money, and therefore they say that other steps would have to be taken. I do not think it is quite fair to make that charge unless it has been proven. In other words, the government in power might decide to adopt the one hundred per cent system. They would seek the cooperation of the chartered banks and if they were unable to obtain the cooperation of the chartered banks they could adopt the alternative of nationalizing the whole banking system.

It is interesting to note this fact, that in New Zealand there is a government that was pledged to nationalize the chartered banks. That government has been in power for eight or nine years, and yet it has not nationalized the banking system of that country. It has been suggested that the reason why the banks have not been nationalized in New Zealand is that the government has never been able to get hold of enough money to buy the capital stock of the banks. But if the banks were nationalized, all that the government would be required to do would be to write a cheque against the bank itself to pay for the capital stock.

Some may say that that would be inflation. But remember, the capital stock of those banks is always readily saleable and if people wanted to obtain money for their bank stock they could obtain it readily. The fact that the people have not sold their bank stock shows that they do not want the cash, but rather an investment. If the banks in New Zealand were nationalized I do not believe one need worry that the people on receipt of money in payment of their bank stock would at once go out to buy other goods and thereby cause inflation. Rather they would immediately look for another form of investment. I just mention that fact to show that even though a nationalized banking system may

seem very desirable, as it seemed desirable in New Zealand, yet in spite of the fact that a farmer-labour government has been in power in New Zealand for about nine years they have never taken the step of nationalizing the banks there. They figure that they can control the banking system without nationalization. One can argue all one likes about the proposal, but it would be necessary to wait and see just what sort of cooperation you would obtain from the banks. If you could obtain the desired cooperation, there would be nothing to gain by nationalization so long as you had the one hundred per cent system in operation. On the other hand if they refused to cooperate, immediate steps could be taken to take them over.

As I understand it, the Bank Act is to be revised some time during the session. There will be plenty of opportunity therefore to investigate the Bank Act and its operations. If there are any gaps which the Bank Act does not fill, surely that will be the time to bring forward the necessary amendments in order to fill the gaps. If we find that we cannot fill the gaps by amendments, surely that will be the time for the government to bring down a measure to take care of the situation. Therefore, Mr. Speaker, I move, seconded by the hon. member for Lethbridge (Mr. Blackmore), the following motion:

That this bill, No. 7, be not now read a second time but that the second reading be postponed until after the Bank Act shall have been reviewed and by parliament revised.

Mr. MACKENZIE (Vancouver Centre): Mr. Speaker, I rise to a point of order, although I am not asking Your Honour to rule upon it now. Beauchesne's Third Edition, Speakers' Decisions, page 495, says:

The house resumed the adjourned debate on the proposed motion of Mr. Manion: That the Bill No. 37 (Letter A of the Senate), intituled: "An Act respecting the Canadian National Railways and to provide for cooperation with the Canadian Pacific Railway System, and for other purposes," be now read the second time, and the proposed motion of Mr. Mackenzie King in amendment thereto:

That all the words after "That" to the end of the question be left out in order to insert the following instead thereof: "the second reading of this Bill be postponed until this house have declared that nothing therein shall be taken to authorize any amalgamation of the Canadian National Railways with the Canadian Pacific Company; or to divest parliament of its rights; or to take from the House of Commons its primary duty to control expenditures of public moneys and the taxes required to meet the same; and that the provisions of said bill shall be read in the light of this declaration, and be construed so as to conform therewith, and that in so far as any of its provisions may be inconsistent therewith they shall be amended accordingly,

"and that the adoption of this amendment by this house shall constitute the declaration of its intention and purposes as set forth herein."

Mr. Speaker: There is in our journals one precedent of an amendment moved on the second reading of a bill which proposed that 'further consideration of the bill be deferred until the Tariff Bill has been disposed of.

It was a declaration of principle covering not only the second reading, but also the third reading and the final adoption of the bill, and it was moved, as a disapproval of the measure.

But the present amendment is different inasmuch as it proposes a postponement of the second reading pending a definite declaration of the house.

It does not purport to be adverse to the bill, but it makes suggestions for adding to its provisions by amendments which can only be moved after the adoption of the second reading.

May at page 390 says:

And the quotation is found at page 496. Then Mr. Speaker continued:

As this amendment has not the effect of disagreeing with the principle of the bill, it does not come within the class of amendments referred to by May.

"The allegation that nothing in the bill should be taken to divest parliament of its rights or to take from the house its primary duty to control expenditures is a declaration of general principles which can be moved as a reason for not agreeing to the second reading of a bill dealing with the constitutional rights of parliament, but which is beyond the scope of, and therefore irrelevant, to the present bill. May says at page 391 that the principle of relevancy in an amendment governs every such proposed resolution."

At page 391, May says further:

"Such an amendment may not deal with the provisions of the bill upon which it is moved nor anticipate amendments thereto which may be moved in committee."

The words "nothing therein shall be taken to authorize any amalgamation of the Canadian National Railways with the Canadian Pacific Company" anticipates an amendment which may be moved in committee.

The propostion that the bill shall be read in the light of certain declarations and be construed in a certain manner, and that its provisions shall be amended accordingly is in the nature of an instruction to the committee which cannot be moved as an amendment to the second reading.

For these reasons, the amendment is out of order.

See May 15th edition, page 391; Bourinot, page 509; Redlich, Vol. 3, page 89.

From this decision Mr. Mackenzie King appealed to the house.

And the question being put by Mr. Speaker: Shall the ruling of the Chair be sustained?—it was decided in the affirmative.

Debates, House of Commons, 1932-33, vol. 3, pages 2895-6.

Journals, House of Commons, vol. 71, pages 297, 298, 299.

I would ask Your Honour to give consideration to the arguments advanced at that time.

Mr. BLACKMORE: Mr. Speaker, it seems to me that the cases cited by the Minister of Pensions and National Health (Mr. Mackenzie) are not analogous to the situation we have here confronting us in respect of the present amendment. My submission is that the present amendment is completely in order.

Mr. SPEAKER: I shall deal with that matter a little later. An amendment has been moved to the main motion, and the debate should now take place upon the amendment. I shall deal with it later. Is the house ready for the question?

Mr. H. C. GREEN (Vancouver South): Mr. Speaker, this bill setting up an industrial development bank is a very important one. I believe it may be of great help to Canada at the present time, and also that it may be of much assistance in dealing with our post-war problems, which, as all hon. members must know, will be very difficult ones. There are several thoughts, however, which I should like to express in connection with the bill, and which I would place before the ministry and before hon. members in the hope that they will be of some help to the banking and commerce committee when it considers the bill section by section, and will also be of some help to hon. members when the bill returns from that committee.

It does seem to me that this bank might easily become a political one. It could be used for political purposes. I am not for a moment suggesting that that would be done, but it is a thought which should be kept in mind not only by the present government, but more particularly by members of my own party, the Progressive Conservative party. I say that because I believe that they are the people who will have to administer this measure in the very near future.

Some hon. MEMBERS: Oh, oh.

Mr. GREEN: I mean that, and I would ask hon. members in my own party to keep that thought seriously in mind.

Mr. GRAYDON: The hon. member never said anything truer in his life.

Mr. GREEN: It would be a great tragedy if this bank were to be handled in a political fashion, or if it were to be dragged into politics. One effect would be that immediately the Bank of Canada, an organization which thus far has been kept clear of that, would be dragged into the political arena. The effect of having this new bank mixed up in politics might very well seriously undermine our democratic system of government. I hope therefore that it will never become a political instrument.

The next thought is that the bank should work very closely with the people in the different provinces and localities in Canada. I do not believe it would do that, as at present constituted.

Mr. SPEAKER: May I ask the hon. member to resume his seat while I deal with the amendment? I have listened to the argument of the Minister of Pensions and National Health respecting the decision given on March 10, 1933, by the Hon. Mr. Black, now the member for Yukon. The amendment then moved was dealing with the second reading of the bill, but it also referred to the provisions of the bill, and amendments thereto. That is not competent on second reading. In other words, it is not competent to deal with the provisions of a bill on second reading.

The amendment at that time was:

> That all the words after "that" to the end of the question be left out in order to insert the following instead thereof: "the second reading of this bill be postponed until this house have declared that nothing therein shall be taken to authorize any amalgamation of the Canadian National Railways with the Canadian Pacific Company; or to divest parliament of its rights; or to take from the house of commons its primary duty to control expenditures of public moneys and the taxes required to meet the same; and that the provisions of said bill shall be read in the light of this declaration, and be construed so as to conform therewith, and that in so far as any of its provisions may be inconsistent therewith they shall be amended accordingly."

That was dealing with the provisions of the bill, and that is not competent on second reading.

I have here an amendment moved on June 18, 1917, which shows that the second reading of a bill may be postponed until a certain event takes place, and in connection therewith I find at page 361 of the Journals of the House of Commons for that year:

> Sir Robert Borden moved, seconded by Sir George Foster, that the bill, No. 75, respecting military service, be now read the second time.
>
> Sir Wilfrid Laurier moved in amendment thereto, seconded by Mr. Oliver, that all the words after "that" in the said motion be struck out and the following substituted therefor:
>
> "the further consideration of this bill be deferred until the principle thereof has, by means of a referendum, been submitted to and approved of by the electors of Canada."
>
> And a debate arising thereupon, the said debate was, on motion of Mr. Morrison, seconded by Mr. Barnard, adjourned.

No exception was taken to the amendment. The amendment now before us is:

That this bill No. 7 be not now read a second time, but that the second reading be postponed until after the Bank Act shall have been reviewed and by this parliament revised.

I am of opinion that that is on all fours with the amendment moved by Sir Wilfrid Laurier for the postponement of the bill before the house in 1917.

Then, at page 228 of Beauchesne's Third Edition we find this, in paragraph 657:

It is also competent to a member who desires to place on record any special reasons for not agreeing to the second reading of a bill, to move as an amendment to the question, a resolution declaratory of some principle adverse to, or differing from, the principles, policy, or provisions of the bill, or expressing opinions as to any circumstances connected with its introduction, or prosecution; or otherwise opposed to its progress; or seeking further information in relation to the bill by committees, commissioners, the production of papers or other evidence or the opinion of judges.

In my judgment this amendment could be covered by the words, "or otherwise opposed to its progress," meaning that there will be a delay until such time as mentioned in the amendment, namely, after the Bank Act shall have been reviewed and by this parliament revised.

I am of opinion therefore that the amendment is in order, and that the debate may now take place and will be confined solely to the amendment. In consequence I may have restricted the hon. gentleman in his remarks. He was speaking at the moment to the motion and I have now held that the amendment is in order. The debate must therefore be addressed solely to the amendment. If the hon. member wishes to speak to the amendment he may do so, but if he prefers to make his remarks on the motion he can wait until the amendment is disposed of.

Mr. GREEN: If the amendment is voted down, Mr. Speaker, am I free to continue my remarks on the motion?

Mr. SPEAKER: Quite. There is of course a principle involved. The hon. member having spoken, there was an interruption in the proceedings of the house. But when I point out that I interrupted him for the purpose of dealing with the amendment, the house will, I take it, recognize his right to speak on the motion. Is the house ready for the question?

Mr. GRAYDON: I have no desire at this time to inject myself into the debate, but I would point out that the effect of the amendment, if it were carried, would be to delay the bill or to prevent its disposition at all this session. Changes may have to be made in the bill, but we in this party feel that at least it should be sent to the banking and commerce committee, as the parliamentary assistant has suggested. This, of course, would not be possible if the amendment were agreed to. Our view is that after the bill has come out of that committee, and before its third reading, there may be reasons why it should be considered in conjunction with the revision of the Bank Act, but at present we are of the opinion that it would perhaps be tantamount to delaying the progress of the bill and preventing the endorsement of its principle. For that reason we shall vote against the amendment.

The house divided on the amendment (Mr. Quelch), which was negatived on the following division:

YEAS

Messrs:

Blackmore	Johnston (Bow River)
Bryce	Knowles
Burton	Kuhl
Castleden	MacInnis
Choquette	Marshall
Coldwell	Nielsen, Mrs.
Dorion	Quelch
Douglas (Weyburn)	Rose
Fair	Roy
Gillis	Shaw
Hlynka	Wright—22.

NAYS

Messrs:

Abbott	Green
Adamson	Gregory
Black (Cumberland)	Hanson (Skeena)
Black (Yukon)	Hazen
Blair	Henderson
Bradette	Homuth
Brooks	Howe
Cardiff	Hurtubise
Casselman, Mrs. (Edmonton East)	Ilsley
Casselman (Grenville-Dundas)	Isnor
Cleaver	King, Mackenzie
Crerar	Kinley
Cruickshank	Kirk
Dechene	LaFlèche
Diefenbaker	Leger
Donnelly	Little
Douglas (Queens)	McCubbin
Edwards	McCulloch
Emmerson	MacDiarmid
Esling	Macdonald (Halifax)
Evans	Macdonald (Kingston City)
Factor	McGarry
Farquhar	McGeer
Fournier (Hull)	McGibbon
Fraser (Peterborough West)	McGregor
Furniss	McIlraith
Gershaw	McIvor
Gibson	MacKenzie (Lambton-Kent)
Gladstone	MacKenzie (Neepawa)
Golding	Mackenzie (Vancouver Centre)
Grant	MacKinnon (Edmonton West)
Graydon	

MacKinnon (Kootenay East)	Reid
McLarty	Rennie
MacLean (Cape Breton North-Victoria)	Roebuck
McLean (Simcoe East)	Ross (Calgary East)
McNevin (Victoria, Ont.)	Ross (Moose Jaw)
McNiven (Regina City)	Ross (St. Paul's)
MacNicol	Ross (Souris)
Matthews	St. Laurent
Mayhew	Sanderson
Michaud	Senn
Mills	Sinclair
Mitchell	Sissons
Neill	Slaght
O'Neill	Stirling
Perley	Tripp
Pinard	Tucker
Pottier	Turner
Purdy	Ward
Ralston	Warren
Reid	Weir
Rennie	Whitman
Roebuck	Winkler—104.

Mr. GREEN: When Your Honour stopped me in my remarks to make a ruling on the amendment that had been moved by the hon. member for Acadia (Mr. Quelch), I had just begun to place before the ministry and the members of the house my second thought with regard to the industrial development bank bill. In order that this bank may do its best work, in order that it may be effective, it is vital that it should work closely with the people in the various provinces and localities in Canada. That I believe it cannot do under the present provisions. The bill provides for branch offices, but I take it there will be comparatively few of those offices in Canada, and they will be in the larger cities only. The bill provides also that the members shall all be directors of the Bank of Canada. In other words, it is to be an entirely Bank-of-Canada-run organization.

I think it is of the greatest importance not only that the bank should have local contacts with the people out in the communities, but also that it should have their advice and the support and enthusiasm of the Canadian people from coast to coast; therefore I suggest that provision should be made for an advisory board in each province. There should certainly be an advisory board set up in each province, and in the more thickly populated provinces it might be necessary to have more than one. I suggest that these boards should include representatives, if possible, of all the parties. They should not be restricted to men who support the government that may be in office for the time being. In British Columbia we have what is known as a rehabilitation council, which was set up by the provincial government. It is made up of members of all parties in the local legislature. They have gone around the province between sessions asking for representations from the citizens in the different centres with regard to the problem of rehabilitation, asking what industries could best be established in the different towns, thereby creating interest in the post-war period and in ways of building up the different communities. I believe that provision should be made for advice of that kind to be available to the industrial development bank.

Then it is of the greatest importance that there should be representatives of labour on such advisory boards. After all, with labour this question of small enterprises and the building up of new industries is a matter of bread and butter, and I think they will be far more vitally interested in the bill than any other group of people in Canada. So that if the government sees fit to provide for advisory boards or some similar organizations I suggest that representatives of labour should be included. I also believe that the bank should adopt a deliberate policy of dispersing industry into the towns of Canada, of spreading industry out and not letting it become any more concentrated than is absolutely necessary. That is the second thought.

My third thought is this. The bill refers to the building of ships as an industrial enterprise. We all know that during the war shipbuilding has become a huge industry in British Columbia, Ontario, Quebec, New Brunswick and Nova Scotia, and that around the shipbuilding industry, or really as part of it, dozens of small, satellite industries have grown up, small shops which provide parts and equipment for ships, and so on. I know in Vancouver there are dozens of these small industries which would come under the provisions of the bill, and the industrial development bank should be of great help to them. But they are entirely dependent on shipbuilding itself; they are dependent entirely on whether or not shipbuilding is to be continued in Canada after the war. The shipbuilding industry will require more than a loan, and I do not believe that this bank by itself will be able to maintain that industry in operation. Some further steps will have to be taken by the government. Personally I believe that if we are to continue to build ships in Canada after the war direct help will have to be given by the government, perhaps by way of subsidies or by way of orders for ships.

At the present time there is the greatest uncertainty as to what Canada's policy is to be in regard to shipbuilding after the war, and in regard to the question of a merchant marine. Is Canada to continue to build ships? Is she

to have a merchant marine, or is she not? These questions remain to be settled, and the government should make an early announcement of policy. Such an announcement would be of great help. Mind you, I hope that the announcement will be to the effect that the government considers shipbuilding and a merchant marine necessary to Canada, but we have had two diverse opinions expressed by ministers of the crown. For example, I have here press clippings dated Toronto, December 13, 1943, in which the Minister of Munitions and Supply (Mr. Howe) is quoted as saying that he—

> . . . called on Canadians to-day to avoid post-war planning based on public works and the dole and set forth as his alternatives nine objectives aimed at making this nation of twelve million persons "the happiest people on God's green earth"

Then the minister set out those objectives, and number four was:

> Provide a merchant marine worthy of the dominion's export position.

Just two weeks later, however, his colleague the Minister of Transport (Mr. Michaud), who really is the man who would have to do with the merchant marine after the war, had something different to say here in Ottawa; apparently there was a failure to get together on this question. He said:

> I see no future in Canada going into the shipping business on a big scale after the war. . . . Some of the ships might well be used to develop trade between Canada and the West Indies and South America—but to enter competition for trade across the Atlantic and Pacific would be a big undertaking.

Then the press dispatch goes on:

> Mr. Michaud said that if the Canadian government entered into general merchant business it would be in competition with old steamship companies that have world-wide organizations. If a ship takes a cargo to a port, it has to have an agent there to get a cargo for the trip back.

He went on thoroughly to scuttle his colleague's policy, announced two weeks before:

> Freighters from Norway and Greece are operated by private companies with years of experience behind them and they are likely to resume operations after the war, he said. The wages paid by these foreign companies to their crews are much below Canadian scales.
>
> British steamship companies are preparing service to resume on regular schedules and they will be much faster than the ships Canada has, said Mr. Michaud.

In that last remark perhaps the minister really did refer to something worthy of note; that is, we are not building any of these fast ships, while Great Britain and the United States are, and I think Canada should be building at least some of them. In any event, there is the contradiction; and this question of shipbuilding is so vital to Canada, or certainly to the provinces on either coast, that I urge the government to make an announcement at an early date. I urge the government not to allow the shipping industry to fold up or die out, but on the contrary to see to it that this industry is maintained after the war. If that is done it will mean the survival of these satellite industries, and then the industrial development bank will be able to help them to carry on.

The same situation exists in connection with other industries. I need quote only one as an example, and I refer to housing. There are many small enterprises in Canada which depend for their existence upon the construction of homes. It would be helpful if the government would make an early announcement of policy in regard to housing. I hope that announcement will be to the effect that the Canadian people are to be rehoused. At the present time that situation is very serious, indeed far more serious than members of the ministry realize. In many cities families have to live in garrets, in basement suites or perhaps in garages. This has an effect upon the war effort, because it lowers the morale of the people who have to live in those places; it is having a serious effect upon the health of our people and has an effect also upon the men who come back from overseas and find that they must live under such conditions. It makes it just that much more difficult for a man returning to this country to enter into the spirit of things in Canada and settle back into his civilian pursuit. Therefore I suggest that an announcement on the general question of housing should be made at an early date.

Finally there are three other points in connection with this bill which I suggest the parliamentary assistant should make clear when he closes the debate. The first is whether or not the bill is intended to cover the processing of metals. I notice that it does not refer to the mining industry. In other words, no direct help can be given by the bank to the mining industry, but I should like to know whether help could be given for the establishment of a steel rolling mill, let us say.

Mr. ABBOTT: Yes, that comes within the bill.

Mr. GREEN: That is definite. Also will the bank have power to help to set up a steel and iron industry? Section 2 of the bill refers to the generating or distributing of electricity. It would be interesting to know whether the bank will have power to help municipalities in putting in electrical plants.

The bill does not make that clear. I take it that a private company could be given assistance, but I suggest that the legislation should be wide enough to enable the bank to assist municipalities in setting up power plants or other power systems.

I should like to know whether or not the bill is wide enough to enable the bank to help cooperative organizations. It refers to loans to persons and I take it that the provisions are wide enough to cover cooperatives. We should be told whether or not such is the case. In post-war years there will be a great development along cooperative lines, and we should know whether this bank will be able to help in that development.

I support the bill because I believe, as referred to in the preamble, it can be made a most effective instrument for maintaining not only a high level of national income, but also a high level of employment. I certainly hope such will be the case.

Mr. A. R. ADAMSON (York West): Mr. Speaker, there are just one or two things I should like to mention about this industrial development bank. I do not think anyone can take exception to the fostering of small industry after the war and perhaps the government is to be commended for introducing this bill. However, the sums mentioned are so small that they will hardly prove effective as a means of reestablishing small business in Canada after the war. I know of one new enterprise in my district which would take up more than the entire sum mentioned in the bill. This is merely a token bill which sets up a brand new principle, namely, the principle of the government going into the industrial banking business. That may or may not be a satisfactory solution. It may be that the chartered banks have shown that they are incapable of supplying credit to small industry, or the government may think they are incapable of doing this. That is the problem which faces the government.

The government has introduced in this bill a principle which I think more than any other was the cause of the disruption and failure of the banks in the United States under the federal banking system. I refer to the fact that loans may be made on mortgages. This is an entirely new principle in Canadian banking. Up to now we have had mortgage companies, trust companies and finance companies, but banks have not been permitted to lend money on mortgages. This is something the government should carefully inquire into. I suggest that an examination of what happened with farm loans in Ontario during the past ten or fifteen years would prove of value. I think it will be found that a tremendous number of those loans went bad. I mention this as one of the dangers which confront the government in connection with this measure.

The next danger is the fact that there is no mention of a limit on individual loans. A loan is made to an individual to permit him to start in business. He does not make a profit the first year; he has a loss, and he may have a loss for the second, third and fourth years, as is quite usual with new businesses. What will happen? Who is to decide whether that loan is to be renewed? A small industry may start up and provide employment and it may or may not have a chance of success. But because it has been financed with government money, the government must continue to pay the shot in order to keep the industry going. That is one of the dangers in the socialization of all banking—you bring your banks into the arena of politics.

The other night the hon. member for Rosetown-Biggar (Mr. Coldwell) referred to the question of taxation. Let me give an illustration. Two young men who have been in the army or air force decide to start up a new business, let us say the making of mouse-traps. They go to the bank and the bank consults its—

Mr. ABBOTT: Mouse-trap expert.

Mr. ADAMSON: —mouse-trap expert, which we will say is a firm of reliable exterminators in Toronto. They say there are no more rats left, but there are plenty of mice left to exterminate. These men go into the mouse-trap business and the world builds a nice path to the door of their factory. They start making a very special mouse-trap which kills the mouse, plays a few bars of Chopin's funeral march, throws the dead mouse over the neighbour's fence and resets itself. This trap becomes popular and they make a profit out of their business, but at the end of the first year what do they find? As there was no base rate for their company they are subject to excess profits and corporation profits taxes, and all their profits are taken by the government. Unless the government is prepared to repeal the excess profits tax you are not going to get anybody to start up new businesses. In fact these two men will probably go into the business of breeding mice in order to show their irritation with the government.

Then there is the question of the development of our natural resources. The hon. member for Rosetown-Biggar told us that the concentration of the mining industry is more

and more in the large companies. This bank, it is said, is not going to help in any way the financing of mining or prospecting, or any similar development. The taxation problem for the mining industry has been such that the large companies have been the only ones that have been able to afford to go into the exploration business. What usually happens is that a syndicate or a small group of prospectors starting out with a property would do some trenching and a little diamond drill work, which shows perhaps that they have a few assays which warrant spending a little more money. There is a trace of gold. Accordingly they go out and raise a few more thousand dollars. Then further drilling shows that they have discovered a commercial ore body. But because they are a group of only four or five individuals they have not the money to sink a shaft and provide the milling and crushing equipment required to go ahead and develop the property. So they sell it to a mining company or else form a company. They are taxed with the exploration profit they make on that property, therefore naturally the small prospector is handicapped and tied. He is discouraged in every way from going into the mining business. This is a serious matter because, up to recent years when the present taxation system came into effect, the majority of our mines were discovered by the individual or by a small group of prospectors. But to-day we have made it almost impossible by our taxation system to allow the individual prospector or the small group to operate.

In passing, let me say that if there is any industry that would pull us out of the post-war reconstruction difficulties it is the mining industry. No matter what sort of world we are going to live in after the war we shall have need of metal, both precious and base, and there is no country so bountifully endowed with metals as is Canada. We are milling to-day at the rate of approximately a hundred thousand tons a day. It takes on the average three men to mine a ton of ore; the man in the mine, the man servicing, and the man providing the equipment. As a rough empirical rule one can say that three men get direct employment out of every ton of ore milled. If we can double our production, which is feasible if we remove the restrictions, our untold mining capacity would provide work in the next five years after the war for 600,000 men directly employed in the mining industry. That, I believe, is not any dream but a practical possibility. But we are not going to do it unless we have new properties discovered, and I look with disfavour on the fact that it is specifically stated that this industrial bank is not going to aid the mining industry. I believe that the prospecting syndicates are one of the most useful means of providing employment immediately after the war is over.

Again, Mr. Chairman, it is specifically stated that this industrial bank is not interested in housing. In the city of Toronto there is a housing plan which may take a hundred million dollars or more to bring it into effect—the actual cost has not been estimated at the present time. The building industry is the key industry of this country. It is the barometer of our prosperity and of our depressions. The building industry is not only the barometer; it is the key. There are, it has been estimated by Mr. Mathers, president of the Builders' association, 450,000 men actively engaged in the building industry of Canada in normal times. Most of the building industry has been in the hands of the small builder. In many ways that has perhaps been uneconomical. Nevertheless that has been the system in Canada. One of the greatest costs in housing has been the price that the small builder and the man who is buying or building a house have had to pay for money, and I say that consideration should be given to including in this bill the provision of credit for the small builder. That is an omission in the bill which should be repaired.

Mr. ABBOTT: If my hon. friend will allow me, I mentioned in my opening statement that the government was giving consideration to and would be proposing measures to provide similar credit facilities for agriculture and housing.

Mr. ADAMSON: I thank the hon. gentleman. But it is not mentioned in the bill, and I want to emphasize to the parliamentary assistant that that is very much one of the omissions in the bill.

Mr. ABBOTT: I made it very clear in my opening statement that consideration was being given to other measures.

Mr. GRAYDON: That was an afterthought, after the speech from the throne.

Mr. MACKENZIE (Vancouver Centre): We have forethought.

Mr. ADAMSON: Finally I have this suggestion to make to the parliamentary assistant. The majority of the medium-sized industries in this country at the present time, because of the fact that they have come through a depression period, and the further fact that they are now paying almost one hundred per cent excess profits, practically all their profits, to the government, are not going to find them-

selves at the end of the war in a position to provide the necessary replacements to their plants and modernize their equipment to enter the new post-war type of trade. They are going to find their treasuries virtually depleted. But when the physical fighting ceases—the actual political declaration of peace may not be for some years—and the need for the munitions industry to work at its tremendous pitch comes to an end, I suggest that there be a tax holiday for business, to allow them to build up a surplus in order to re-tool and retrench, so that they may enter into the competitive world in which we shall find ourselves after the war.

They will see ahead of them years in which they will be faced with tremendous tax burdens. They will see, too, an almost immediate cessation of war business. What would be their reaction? They would say, "We are going to be bankrupt if we continue at the present rate, because we are faced with heavy payrolls and heavy overhead. We are going to be stuck with a tremendous taxation at the end of the next fiscal period." One thing we must avoid at the end of the war is the condition which was found at the end of the last war. In other words, when industry stopped production the men who had been working were immediately discharged, with the result that unemployment at once became a problem.

I say to the parliamentary assistant that unless industry sees a possibility of continuing, its first instinct is to do exactly what was done after the last war. After this war it will be only that much worse, because taxation is so much higher. There are some exceptions, of course, but the majority of industries have not been able to build up sinking funds or reserve funds which would allow them to go into competitive business, re-tool, establish an export market, and do the hundred and one different things which business must do in a competitive market.

We must remember that during the war there has been very little competition. The government has said, "We will buy from you all you can make." After the war we shall be in a world in which there is competition, and business will have to say, "We will make what we can sell." That is the difference in the psychologies of peace and war, and unless the government recognizes the difference we shall find business men saying, "I do not know what we can make." They may say, "Let us wait for six months, to see what the world looks like. At the end of that time we may either close the plant, or run on a skeleton staff."

[Mr. Adamson.]

That is one of the dangers, and one of the conditions this bank should help to prevent. It can be a success, however, only if there is some change in respect of corporation taxes and excess profit taxes after the war. No one minds paying taxes in a time of war. All are fighting with their last drop of blood, because we have to beat the hun. But when the war ends, a different world will emerge.

I am in favour of the bill, as far as it goes. It contains several dangerous provisions, and may lead directly to inflation; but, so far as it goes, in its small way I believe if it is controlled it will prove a step in the right direction.

Mr. T. C. DOUGLAS (Weyburn): Mr. Speaker, I had not intended taking part in this debate, because the financial proposals of this group were well stated before the house by our leader, the hon. member for Rosetown-Biggar (Mr. Coldwell). However, I am prompted to take part in the debate because of a statement made the other evening by the hon. member for Rosthern (Mr. Tucker). His statement is to be found at page 1286 of *Hansard,* as follows:

> It is quite true that in certain places the C.C.F. say that they do not intend to take over control of some particular industry, and in other places they say they do. In British Columbia they stated, for example, that their programme is actually to take control of farmland as in Russia.

We are now changed, apparently, from being national socialists to communists, depending on what part of the country one comes from, and what is the most unpopular group in a particular constituency. I challenged the statement of the hon. member at the time, and the hon. member for Rosthern said he was quoting from the Vancouver *Sun.* I was not calling in question the hon. member's integrity. I know the quotation from the Vancouver *Sun* which he had in mind. I was, however, calling in question the authenticity of the source of his information. If the hon. member for Rosthern had taken the trouble to verify, or to attempt to verify the source of his information, I doubt very much if he would have made the statement he did make. I say that because the quotation in question from the Vancouver *Sun* has on numerous occasions been publicly repudiated.

I have in my hand a copy of the C.C.F. *News* for January 20, 1944, containing a signed article by Frank J. McKenzie, British Columbia provincial secretary of the C.C.F. organization in that province. I wish to read only part of it, so that the situation may be clear

to hon. members. This article is headed "Misrepresentation of Farm Policy Repeated by Papers across Canada", and states:

The C.C.F. has found it necessary to complain about false press reports with growing frequency during the past year. An example of the effect of false reporting is to be found in the case of a report published by the Vancouver *Sun* on the British Columbia provincial C.C.F. convention of April, 1943. It is being quoted from one end of Canada to the other.

At frequent intervals since the publication of the *Sun* report, various spokesmen of the C.C.F. in British Columbia have found it necessary to explain that the provincial platform of the British Columbia section of the C.C.F. does not contain this plank: "Collective agriculture by the institution of methods of collective farming, such as have featured Soviet Russia's system."

The latest example of this to come to the attention of the writer is a statement by Captain W. R. Tucker, M.P. for Rosthern, at Saskatoon, as reported by the Saskatoon *Star-Phoenix*, January 11, 1944: "In British Columbia the farmers were swinging against the C.C.F. except in labour districts. As a factor in this swing in British Columbia, he quoted the second plank in the platform of that party in the coast province as calling for the collectivization of farms, as in Russia." There can be no doubt that Captain Tucker is relying either upon the April 19 issue of the Vancouver *Sun* or upon some other journal which relied upon the *Sun* as an authority.

Shortly after the publication of that report by the *Sun* the British Columbia provincial secretary wrote to that paper the letter reproduced below. The *Sun* published the letter, but, unfortunately, the damage was done.

Here is the letter to the *Sun*:

Editor, Vancouver *Sun*:

Sir: I would be glad if you would publish this letter by way of correcting a misrepresentation of the C.C.F., for which you are, I believe, in part responsible.

On your front page of April 19 you said: "The C.C.F. policy for British Columbia, as outlined in a statement by the party convention, will . . ." Then you set out seven "planks", from which I quote the following: "2. Collective agriculture by the institution of methods of collective farming, such as have featured Soviet Russia's system." This statement was not true.

Mr. TUCKER: That is not the end of the quotation. My hon. friend pretends to quote from the Vancouver *Sun* but he has not quoted the whole of paragraph 2.

Mr. DOUGLAS (Weyburn): Mr. Speaker, I am quoting—

Mr. TUCKER: I am challenging my hon. friend to do the same thing he asked me to do, to get the paper and quote from it, not from some letter or some alleged quotation. I suggest, Mr. Speaker, that he is not correctly quoting from the Vancouver *Sun*.

Mr. DOUGLAS (Weyburn): I am not claiming to quote from the Vancouver *Sun*.

Mr. TUCKER: Yes, you are.

Mr. DOUGLAS (Weyburn): I am claiming to quote from an article by the secretary of the C.C.F. party in British Columbia, an open letter which was sent to the Vancouver *Sun*, in the course of which—

Mr. TUCKER: I rise to a point of order. The hon. member is reading a letter in which the writer purports to be quoting from the Vancouver *Sun*. Now, if the hon. member is not taking the responsibility for the correctness of that quotation in the letter in question he should not read it in the house . I submit to you, Mr. Speaker, that he cannot claim that he is not quoting from the Vancouver *Sun* by saying that he is reading from a letter which purports to be quoting from the Vancouver *Sun*. That is hearsay twice removed and I object to that sort of thing.

Mr. DOUGLAS (Weyburn): I am not claiming to quote from the Vancouver *Sun* at all. I am quoting from a letter which appeared in the Vancouver *Sun*.

Mr. DEPUTY SPEAKER: Is the hon. member speaking to the point of order?

Mr. DOUGLAS (Weyburn): There is no point of order.

Mr. DEPUTY SPEAKER: A point of order has been raised by the hon. member for Rosthern (Mr. Tucker).

Mr. DOUGLAS (Weyburn): My point, Mr. Speaker, is that I am not quoting from the Vancouver *Sun*. I am quoting from a letter sent to the Vancouver *Sun* which denies a statement which appeared in the Vancouver *Sun*, and I have the right to place it on the record. I intend to do so.

Mr. DEPUTY SPEAKER: The hon. member for Rosthern objects to the fact that the letter written by the secretary of the C.C.F. party in British Columbia has not been quoted in its entirety by the hon. member who is now speaking. I rule that the whole letter should be put on the record.

Mr. DOUGLAS (Weyburn): I shall be glad to put it all on. The letter reads:

Moreover, it was not confirmed in any way by the accompanying story of your correspondent, James Dyer.

On June 11, the Calgary *Herald*, dealing editorially with a visit to that city by the C.C.F. leader, Harold Winch, said that one of the "planks" of the C.C.F. platform was "collective agriculture by the institution of methods of collective farming, such as have featured Soviet Russia's system." The Calgary *Herald* did not acknowledge the Vancouver *Sun* as the authority for this statement, but it is obvious that your report of April 19 was quoted.

Citing this false report, the Calgary *Herald* said: "The C.C.F. party uses the term of co-operative farms, but what is meant is cooperative farms established on the Russian model, in which the state will possess ownership and the farmers work as hirelings."

During the recent Revelstoke byelection the *Coalition* reprinted the Calgary *Herald* editorial and distributed it at Revelstoke in an endeavour to dissuade the people of Revelstoke from voting C.C.F.

The truth is that the provincial policy statement adopted by the recent C.C.F. convention said this: "Cooperative farms in these lines and in those areas where they will lower production cost must be encouraged, and production costs of such cooperative farms will become a yardstick by which to set the price level."

The letter is signed by F. J. MacKenzie, British Columbia secretary of the C.C.F. The point I want to make is that the hon. member for Rosthern, the Minister of Pensions and National Health (Mr. Mackenzie), and the leader of the opposition (Mr. Graydon), all said the other night that they could bring clippings to the house. I believe the minister was going to bring fifty.

An hon. MEMBER: He will bring them if he said so.

Mr. DOUGLAS (Weyburn): He said a great many things. However, the amazing thing is that these three gentlemen are lawyers and any one of them must know that they would not be allowed to go into court and produce as evidence a newspaper clipping of something that was alleged to have been said or that was alleged to be the stand of a political party. If any one of these gentlemen wants to find out what the C.C.F. policy on agriculture is, all he has to do is to secure a copy of the C.C.F. programme—

Mr. GRAYDON: It is a little more difficult than that.

Mr. DOUGLAS (Weyburn): —and to quote from it accurately instead of quoting from a distortion of the truth such as one might find in some newspaper articles. I have here—

Mr. TUCKER: My hon. friend says that we should look for their platform. Where is their platform?

Mr. DOUGLAS (Weyburn): If the hon. member for Rosthern is so anxious to know what the programme of the C.C.F. is, he will have no difficulty in finding out. I shall be glad to give him a copy at any time. I have in my hand the C.C.F. programme for British Columbia, which is the programme to which he referred, and which was passed at the convention in question in April, 1943. Here is the entire section on agriculture, and I invite the hon. member for Rosthern and the other hon. gentlemen who are influenced by what they read in the Vancouver *Sun*, without taking the trouble to verify what they read, to examine this programme and see if they can find anywhere in it any statement suggesting collectivized farming.

Mr. McGEER: I rise to a point of order. I do not wish to interrupt my hon. friend, but we are on the industrial development bank, and I believe that the house will agree that banking problems are complex and difficult enough in themselves, so that if we are going to mix in with that difficulty the policy of the C.C.F. and its relation to the land policy of the Soviet Union, I am afraid we shall lose sight of the bank bill altogether.

Mr. DOUGLAS (Weyburn): I agree that the question of the collectivization of land is not relevant to the industrial development bank, but I would point out that it was just as irrelevant last Tuesday evening.

Mr. McGEER: Two wrongs do not make a right.

Mr. DOUGLAS (Weyburn): The hon. member for Rosthern was allowed to place on the record a statement which is not in accordance with the facts, and I claim the right—

Mr. TUCKER: My statement was that they were reported to be in favour of collectivized farm land as in Russia and my hon. friend, as I understood him, denied that they were so reported. I have sought over and over again to show that what I stated was correct, namely, that they were so reported. The hon. member is trying to wriggle out of it by saying that the report was not correct.

Mr. DEPUTY SPEAKER: There is no doubt that the debate at the present moment is quite removed from the bill under consideration. Though agriculture might be discussed under a bill of this description, I would ask the hon. member to stay within the confines of legitimate discussion allowed on the second reading of this bill.

Mr. DOUGLAS (Weyburn): I shall be glad to abide by your ruling, Mr. Speaker, but I must insist that, in view of the fact that the hon. member has made the charge, I should give to the house the agricultural plank of the British Columbia C.C.F. organization. It is found on page eighteen of a pamphlet published by the British Columbia section of

the Cooperative Commonwealth Federation. This policy was adopted at the annual convention held last April. It reads as follows:

The agricultural policy to be pursued by a C.C.F. government will have two objectives: (1) to ensure to the farming population security of tenure, the amenities of modern life, and an income which will enable them to live at a standard at least equivalent to that of the urban population; (2) to ensure an ample supply of good quality food at prices which will enable every British Columbian family to purchase an adequate diet. In order to accomplish these two purposes a C.C.F. government must devise means to:

1. Facilitate increased production per capita of farm population, as the farmers' income is not only determined by price but also by quality and quantity produced and marketed.

2. Stimulate increased domestic consumption.

3. Eliminate all unnecessary handling charges between producer and consumer.

4. Set the prices to be paid the farmer for his product.

5. Encourage production of new crops for industrial purposes.

In all such measures to aid farmers and consumers a C.C.F. government will work in cooperation and consultation with farmers' organizations and the principle of collective bargaining, as already recognized in workers' trades unions, will be applied to all farmers' problems.

Production will be stimulated by increasing returns to the farmer but hand in hand with this must go encouragement to increasingly efficient methods of production. Provision will be made for the resettlement of those now on uneconomic farm lands.

I draw attention to the use of the next sentence, as it is the sentence upon which the article in the Vancouver *Sun* was apparently based.

Cooperative farms in those lines and in those areas where they will lower production costs must be encouraged, and production costs of such cooperative farms will become a yardstick by which to set the price level. Domestic consumption will be increased as government-sponsored enterprises distribute increased purchasing power. Owing to the constitutional inability to fix prices in the manner of the present wartime prices and trade board, it will be necessary, in order to ensure adequate returns to the farmer, to constitute the provincial government as the sole first purchaser and wholesaler of agricultural produce. Only by the creation of such a government monopoly will it be possible to control imports into the province or to eliminate those interests which now divert such a large part of the consumer's dollar to private gain. The precedent for such action has been set by the Liquor Control Act.

While it may not be feasible to set up the organization to take over all lines of agricultural produce simultaneously it will be necessary to proceed as rapidly as possible. First steps in this direction will be taken in the field of dairy, poultry, fruit and vegetable products, but the ultimate success of measures to improve conditions in the dairying and poultry branches will depend on bringing the milling and distribution of grains and millfeeds under public ownership. Marketing, buying and processing cooperative associations and credit unions will be assisted and encouraged by the government by means of legislation and education.

While recognizing that it will take time—

Mr. McGEER: Now, Mr. Speaker, I am perfectly willing to withdraw that—

Mr. DOUGLAS (Weyburn): May I continue?

—to develop the machinery for handling all lines of agricultural produce, the goal of the C.C.F. government—

Mr. McGEER: I rise to a point of order. I raised a point of order, Mr. Speaker, and in view of what was said it seemed to me that your ruling was quite correct. But we are going altogether outside the field of the policy on the ownership of farms and we are dealing with something entirely different. If that is to go on then I suppose it will be necessary to answer it. Surely that type of argument has no place in the debate upon the industrial development bank?

Mr. GILLIS: You should have ruled it out last Tuesday night.

Mr. McGEER: I am quite willing to concede that the question which was raised with regard to the policy on the ownership of land should be dealt with, but this is going much beyond that. I think the hon. member will concede that.

Mr. GILLIS: He is only answering it.

Mr. McGEER: He is going into the whole policy.

Mr. DEPUTY SPEAKER: The only reason why I allowed the hon. member for Weyburn (Mr. Douglas) to put some parts of the C.C.F. platform on *Hansard* is that a question was asked by the hon. member for Rosthern (Mr. Tucker), which I thought he should answer. I hope that it is properly answered.

Mr. MACKENZIE (Vancouver Centre): I rise to a point of order. Seeing that Your Honour has allowed latitude on this specific issue raised by the hon. member with regard to collective ownership of land, the statements made will be replied to, and I trust the same latitude will be given to the hon. member to reply as was given to the hon. member for Weyburn.

Mr. MacINNIS: On a point of order, Mr. Speaker, if you rule that the hon. member for Weyburn cannot continue, then you cannot rule that somebody else can continue later on in this debate. Either the hon. member for Weyburn continues with what he has to

put on the record or, if he has to discontinue, then no further mention can be made of the matter in this debate.

Mr. GRAYDON: May I say that I do not think anybody in the house will object to the hon. member for Weyburn having a certain amount of latitude, but it seems to me that he is reading a good part of a book into the record.

Mr. MacINNIS: A good programme.

Mr. GRAYDON: It may be he is not able to condense his farm programme into any better shape than that.

Mr. MacINNIS: The hon. member for Rosthern condensed it.

Mr. GRAYDON: I am not talking about farmers. If there is anybody in the house who is far away from the farm it is the hon. member who has just spoken. I wish to say that I feel the house does not want to confine the hon. member too rigidly, but I hope we are at the last chapter and the last verse at the moment. If that is the case probably he should continue.

Mr. SLAGHT: Do as Mr. Bracken did, hire a hall.

Mr. DEPUTY SPEAKER: I notice the intent of the house is not to curtail discussion.

Mr. GRAYDON: He did not go to the senate to do it.

Mr. DEPUTY SPEAKER: The reason why I allowed the hon. member to put his programme on the record was that a direct question was put by the hon. member for Rosthern (Mr. Tucker). I believe it has been fairly answered by the hon. member for Weyburn (Mr. Douglas) and I believe we should now continue with the bill and motion before the house.

Mr. DOUGLAS (Weyburn): Do I gather from your ruling that I must desist from reading the remainder of this pamphlet?

Mr. GRAYDON: How much have you?

Mr. DEPUTY SPEAKER: The hon. member for Weyburn should desist now because he has properly answered the hon. member for Rosthern.

Mr. DOUGLAS (Weyburn): I agree with that. The answer has been properly given. I think I have shown conclusively that the newspaper item referred to by the hon. member for Rosthern and by some other hon. members was not based on actual fact, and was not based on the C.C.F. farm programme, most of which I have placed on the record.

I wish to say just a word or two about the industrial development bank. The main criticism I have of the bill is that it cannot be much more than a political gesture in dealing with the post-war problem of maintaining full employment and preventing the deflation which may take place unless adequate measures are taken to maintain a steady flow of currency and credit after the war. The $25,000,000 capitalization, with $75,000,000 to be raised by the sales of bonds and debentures, making a total of $100,000,000 in an economy which at the present time is producing in the neighbourhood of $9,000,000,000 in goods and services is, of course, infinitesimal. Furthermore, if this money is to be lent out on long-term credit there will be no very high velocity in the rotation of this money, and consequently it seems to me that it will meet the problem about as adequately as feeding a peanut to an elephant. It will be entirely on a penny-ante basis. I have the feeling that this whole bill is in much the same class as the National Housing Act and many other pieces of legislation that the government has brought down, namely, political gestures. In principle one can only approve them, but in their scope and in the number of people who will be beneficially affected by them they are so limited as to be almost of little or no value.

I was surprised in listening to the hon. member for York-Sunbury (Mr. Hanson), who led off the debate for the Progressive Conservative party, to find that, in spite of all the talk about maintaining full employment which the leader of the opposition has indulged in, as has also Mr. Bracken, the hon. member said, as reported at page 1265 of *Hansard*:

> As soon as the war is over, government borrowing and government spending will cease, and the national income is bound to go down to a low level.

Mr. GRAYDON: You and Harold Winch do not always agree, either.

Mr. DOUGLAS (Weyburn): Am I to take it from that remark that the leader of the opposition does not agree with the statement made by the hon. member who led off the debate for the official opposition?

Mr. GRAYDON: The hon. member had better read the whole context.

Mr. DOUGLAS (Weyburn): I have read the important part of the paragraph. The leader of the opposition has not taken part in the debate as yet, and he can read the rest of it if he thinks it has any bearing.

What I want to point out is that it seems to me that the debate up to this point has reflected fairly clearly the points of view of the different parties in this house in reference to banking and finance. The hon. member for York-Sunbury (Mr. Hanson) expressed the opinion that the function of this bank can be carried out much better by private enterprise. To him this is a measure of socialism. The hon. member for Lethbridge (Mr. Blackmore), believes that the control of the issue of currency and credit can be best secured by strategy, as he said, rather than by ownership of the banking system. We in this group, I think, have made it abundantly clear that from our point of view there can be no effective harnessing of the banking facilities of this country to our economy in the post-war period unless the government is prepared, first, to assume complete ownership and control of the chartered banks and, second, to set up a national financial policy which would make the bank now being proposed in this bill part of a national investment bank. Coming as I do from an agricultural constituency and an agricultural province, I am particularly concerned that a bank such as is now proposed should be made available to the farming community. It has been said that an agricultural bank is under consideration. Well, of course it has been under consideration since 1919, when I believe Mr. Motherwell moved it in the Liberal convention of that year. That is a lot of consideration, but I should like to see some legislation.

Mr. ABBOTT: In my opening remarks on moving second reading I said, as reported at page 1058 of *Hansard*:

> In considering the present bill I hope that hon. members will keep in mind that in due course the government will be proposing other measures designed to provide financial assistance in other fields of activity such as agriculture and housing.

Mr. DOUGLAS (Weyburn): Then I would ask the hon. gentleman, will that be during this session?

Mr. ABBOTT: Yes.

Mr. DOUGLAS (Weyburn): There is no indication of it in the speech from the throne, but we are very glad that the government has finally made up its mind on this score.

Mr. MacNICOL: It is the old story; live horse and you'll eat grass.

Mr. DOUGLAS (Weyburn): May I suggest to the parliamentary assistant that when this legislation with regard to an agricultural bank is brought down it seems to me it should do two things. It should make it possible for farmers across Canada to refinance their mortgages at lower rates of interest. Second, it should make available to farmers' cooperative organizations sums of money for the carrying on of consumers' and producers' cooperatives. Already in western Canada the farmers are deeply interested not only in the sale of their own produce but also in the development of industries for the use of agricultural products. I know that some of the cooperatives already have made a thorough investigation into the cost of going into the manufacture of grain alcohol, synthetic rubber, plastics and so on. They have had correspondence and conferences with engineers and chemists in the United States who have already done a considerable amount of work along these lines. I know that even now some of these cooperatives are prepared to spend fairly large sums of money in opening up new industries in western Canada along the lines I have suggested, and either under an agricultural bank or under this measure—

Mr. ABBOTT: The facilities of this bank would be available to an enterprise such as my hon. friend has indicated.

Mr. DOUGLAS (Weyburn): That is fine, but I am afraid $100,000,000 will not go very far when you begin to spread it out over all the enterprises of Canada.

Mr. ABBOTT: It is still a lot of money, or at least it used to be.

Mr. DOUGLAS (Weyburn): It is a good deal of money, but only a fraction of what we have spent already in building factories in Canada. We have spent some $800,000,000 putting up government factories, and when you come to spread $100,000,000 over the country it does not seem to me it will give us in Saskatchewan a very large share. I would hope that the cooperative organizations would be able to borrow considerable sums of money in order to develop industries that would be of assistance not only to western Canada generally but to the agricultural population in particular.

In closing, Mr. Speaker, all I wish to say is that during this war we have built up the Canadian economy from a national income of some five and a half billion dollars in 1939 to a national income of nearly nine billion dollars. It seems to me that after this war the test will be whether or not we are to go through a period of deflation and drop back to a national income of five or five and a half billion dollars. If we do that we shall go back to having a large percentage of our people once more unemployed and on relief, producing farm commodities at depressed prices. Or we can do

the other thing; we can harness the financial institutions of this country and use them for the twofold purpose of financing so as to provide full employment to produce the greatest amount of goods possible, and financing consumption to enable the people of Canada to have the necessary purchasing power to buy either the goods we produce ourselves or those goods we get in exchange for the goods which we sell to other countries.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. J. GORDON ROSS (Moose Jaw): Mr. Speaker, at six o'clock the hon. member for Weyburn (Mr. Douglas) had just taken his seat after spending a good many minutes in discussing a statement which had been made by the hon. member for Rosthern (Mr. Tucker). As I remember it, the statement of the hon. member for Rosthern was that he had read in the Vancouver *Sun* the platform of the Cooperative Commonwealth Federation party in British Columbia. The hon. member for Weyburn—

Mr. DOUGLAS (Weyburn): May we get this straight now.

An hon. MEMBER: Sit down.

Mr. DOUGLAS (Weyburn): You cannot tell me to sit down. Mr. Speaker can tell me to sit down, but not you.

Mr. ROSS (Moose Jaw): Has the hon. gentleman asked you for the floor, Mr. Speaker?

Mr. DOUGLAS (Weyburn): Mr. Speaker. I rise to a point of order. While I was speaking you asked me to desist from discussing agriculture because it did not properly come within the scope of the bill, but you gave me permission to reply to the statement which had been made by the hon. member for Rosthern. Do we now understand that the subject is again open? If it is, will other members of this group and of other groups be allowed to continue the discussion?

Mr. MACKENZIE (Vancouver Centre): Mr. Speaker, on the point of order, may I reiterate the point that I raised this afternoon? The hon. member for Weyburn was given an opportunity to discuss the question of the public ownership of land raised by the hon. member for Rosthern, but he then went along to discuss other points. I understood we were to be permitted to answer all the points raised by the hon. member with regard to public ownership.

Mr. DOUGLAS (Weyburn): Your Honour asked me to desist from reading into the record certain evidence which I wished to read, and I did so. Am I to understand now that this is to be opened for general discussion?

Mr. ROSS (Moose Jaw): On the point of order. I may say the hon. member was discussing the ownership of land, and he then went on to discuss many other matters.

Mr. REID: What is the point of order?

Mr. DEPUTY SPEAKER: The point of order was raised primarily this afternoon by the hon. member for Vancouver-Burrard (Mr. McGeer) in connection with what had been said by the hon. member for Weyburn (Mr. Douglas). I gave a ruling that matters concerning agriculture could be discussed under the present bill. I have not seen a copy of the transcript, but the hon. member will see my words in *Hansard* to-morrow, which will corroborate what I have just said. Later on, another point of order was raised by the hon. member for Rosthern (Mr. Tucker) to the effect that the letter being quoted by the hon. member for Weyburn was not being put on *Hansard* in toto. Then the hon. member for Weyburn put the letter on *Hansard*. It was then contended that the hon. member for Weyburn was getting away from the matters covered by the bill, that he was putting the whole C.C.F. platform before the house. That is the only objection I dealt with at the time, asking him to abstain from such a discussion. I do not think we can keep away from agriculture in discussing a bill of this nature because that is one of our primary industries.

Mr. DOUGLAS (Weyburn): Are we to understand that it will be permissible for hon. members of this group to reply?

Mr. DEPUTY SPEAKER: I did not hear the question put by the hon. member for Weyburn.

Mr. DOUGLAS (Weyburn): Are we to understand that hon. members of this group will be allowed to discuss the matter contained in the Vancouver *Sun* and the whole question of the ownership of land?

Mr. REID: It will be in order for us to correct it if it is wrong.

Mr. MACKENZIE (Vancouver Centre): That is what they are trying to deny.

Mr. DOUGLAS (Weyburn): We are just trying to straighten out some of the lies in British Columbia.

Mr. DEPUTY SPEAKER: Order. Members of the House of Commons must realize that a certain latitude should be granted in

discussing the second reading of this bill. At the same time, under the rules we should keep within the limits of the bill. I repeat that agriculture must necessarily come under the bill.

Mr. MacINNIS: On the point of order, we are now dealing with the industrial development bank bill, and the matter of agriculture was interjected into the debate by the hon. member for Rosthern. I understood to-day from the parliamentary assistant to the Minister of Finance who introduced the bill that there is to be another bill in connection with agriculture. That would be the time to discuss matters concerning agriculture. I should like to draw Your Honour's attention particularly to the point that was made this afternoon. The hon. member for Weyburn desisted from discussing the point that had been raised the other evening. He stopped in the middle of a paragraph on the understanding that that was not a matter for discussion. However, if Your Honour wants to change that, it is all right with us, but we are not going to be stopped when the discussion comes up again.

Mr. MACKENZIE (Vancouver Centre): On the point of order; the situation this afternoon was precise and clear.

Mr. MacINNIS: I stated it clearly.

Mr. MACKENZIE (Vancouver Centre): I do not agree with my hon. friend. The undisputed statement of the hon. member for Rosthern was called into the question.

Mr. DOUGLAS (Weyburn): No.

Mr. MACKENZIE (Vancouver Centre): My hon. friend was allowed thirty minutes to read the most puerile nonsense I have ever heard in my life, the platform of the C.C.F. in British Columbia. We have the right to reply to these animadversions of the hon. member for Weyburn; we have as much right as any dictatorial minority in this house.

Mr. DOUGLAS (Weyburn): That is the most puerile nonsense this house has heard in a long time.

Mr. ROSS (Moose Jaw): Apparently none of the C.C.F. party wants this matter discussed, and I do not blame them a bit for not wanting to have the land socialization policy of the C.C.F. discussed in this house. As I started to say a few moments ago, I have here a copy of the paper in question, and I am going to put on the record exactly what is in this paper. This is the Vancouver *Sun* of Monday, April 19, 1943. The main heading in large type is "C.C.F. adopts Policy of 'All-Out' Socialism."

Mr. HOMUTH: They have changed it since then.

Mr. ROSS (Moose Jaw): The next heading is, "Seven Plank Platform," and then under that heading we find:

The C.C.F. policy for British Columbia, as outlined in a statement by the party convention, will:

1. Institute social ownership of public utilities and develop power and industrial enterprises to the exclusion, wherever feasible, of private enterprise.

2. Collectivize agriculture by the institution of methods of collective farming such as have featured Soviet Russia's system, and by the creation of a provincial government monopoly in the purchase, processing and wholesaling of farm products, both those grown here and those imported.

That is the quotation the hon. member for Rosthern was speaking of.

Mr. CRUICKSHANK: Does it mention votes for the Japs?

Mr. ROSS (Moose Jaw): I do not see anything of that.

The hon. member for Weyburn states that the quotation I have read was not supposed to be the policy of the C.C.F. in British Columbia.

Mr. DOUGLAS (Weyburn): The people at the convention say that it was not.

Mr. ROSS (Moose Jaw): Apparently it got into the papers some way or another, and there was no objection taken to any other plank that is in here.

Mr. DOUGLAS (Weyburn): It is a Liberal newspaper.

Mr. ROSS (Moose Jaw): The C.C.F. are noted throughout Canada for their ideas on socialization; they talk of it all the time, but they are finding that in the farming sections of Canada socialization of land does not go very well and they are trying to get away from it.

Mr. COLDWELL: We never said it.

Mr. ROSS (Moose Jaw): You did when you were leader of the Independent Farmer Labour party in Saskatchewan.

Mr. COLDWELL: I deny that.

Mr. ROSS (Moose Jaw): I was in Saskatchewan long before either of my hon. friends and I have followed politics a little more closely than they have over a long period of years.

Mr. DOUGLAS (Weyburn): And your hands are dirtier too.

Mr. ROSS (Moose Jaw): No, they are not.

Mr. DEPUTY SPEAKER: I ask hon. members to address the Chair even when they are making interruptions or asking questions. There must be a certain order and decorum maintained in the parliament of Canada.

Mr. ROSS (Moose Jaw): I ask the hon. member for Weyburn to withdraw the remark he just made about dirty hands.

Mr. DOUGLAS (Weyburn): If I have offended the susceptibilities of the hon. member I shall be glad to withdraw it.

Mr. ROSS (Moose Jaw): The real question is whether the C.C.F. party in Canada believe in the socialization of land and natural resources. That is the question they are trying to get away from.

Mr. REID: They are afraid to face it.

Mr. ROSS (Moose Jaw): They have put out literature at different times, and one of their books, or at least one that they use is called "Social Planning in Canada". On page 283 of this book I find this:

> Interest on capital and rent on land should be maintained in socialized production as a necessary accounting device, but they will no longer accrue to private individuals as income.

If that is not taking land, I should like to know what it is.

Mr. COLDWELL: Who is the author of that book?

Mr. ROSS (Moose Jaw): My hon. friend knows better than I.

Mr. MACKENZIE (Vancouver Centre): Where the government was farmer-labour.

Mr. ROSS (Moose Jaw): At page 259 of the same file I find this:

> There is no suggestion of wholesale expropriation of present farmers, but no more land would be handed over to private owners in the future.

The former leader of the C.C.F. party in this house, a man I knew well and thought a great deal of, the Reverend J. S. Woodsworth, used to speak of socializing all things in this country, and he believed in that policy sincerely. He was discussing the subject in this house at one time. I was not here then, but I remember reading the report of his speech, which I find in *Hansard* of March 2, 1932, at page 730. While discussing the socialization of land he referred to the United Farmers of Saskatchewan. This is part of the farmers' group in Saskatchewan that joined my hon. friend's Independent-Labour-Farmer group. This is what Mr. Woodsworth had to say at that time:

> I find that the united farmers of that province—

That was Saskatchewan.

> —have adopted a provincial economy policy to the effect that . . . . all land and resources now privately owned be nationalized as rapidly as opportunity will permit.

He went on to quote from a report presented at the last convention of the United Farmers of Saskatchewan, as follows:

> A community free from the domination of irresponsible financial and economic power, in which all social means of production and distribution, including land, are socially owned and controlled either by voluntarily organized groups of producers and consumers . . . . or by public corporations responsible to the people's elected representatives.

In the same speech he went on to show that some of the Manitoba farmers were also in favour of socialization of farm land, and in the same speech he quoted from the minutes of the last annual convention of the United Farmers of Manitoba held in Brandon in November, 1931, as follows:

> . . . . we recognize that social ownership and cooperative production, for use, is the only sound economic system.
>
> Resolved that with a view to security of land tenure this annual convention of the United Farmers of Manitoba adopt the principle of nationalization of land.

The other night in this house there was a bit of an argument between the hon. member for Rosetown-Biggar (Mr. Coldwell) and the Minister of National War Services (Mr. LaFleche), during which the member for Rosetown-Biggar rose to points of order, and finally, a day or so later he rose in his place in the house on the orders of the day and spoke to a question of privilege. That was on February 28, 1944, as reported in *Hansard* at page 912. After discussing whether national socialism in Canada was the same thing as national socialism in other parts of the world, which the hon. member for Rosetown-Biggar denied, he said:

> Mr. Speaker, I contend that we are at war with national socialism in Germany, and to endeavour to attack any party in this country as being a national socialist movement is to accuse that party of disloyalty to this country and falsely to imply a position which is not borne out by the facts. May I say that this movement—

I take it that he means the C.C.F., and the hon. member nods his head.

> May I say that this movement in its philosophy and outlook is exactly the same as the labour and socialist parties of Great Britain, Australia, New Zealand and other countries.

Mr. MacNICOL: Nothing whatever like Great Britain's.

Mr. ROSS (Moose Jaw): I do not think the hon. member for Rosetown-Biggar will deny that he said that they believed in the same thing.

Mr. COLDWELL: The same philosophy.

Mr. ROSS (Moose Jaw): Let us take a look at what they have done in Great Britain. Here is an extract from a resolution passed by the British Trades Union Congress at their 74th meeting in September, 1942, dealing with post-war planning in Britain:

> Congress demands that within such a policy (of post-war reconstruction) provision shall be made for:
>
> (a) The compulsory acquisition of land by the nation;
>
> (b) The national ownership and control of all the means of production and distribution.

Later, on December 6, 1943, the Canadian Press carried this cable:

> Acquisition by the state of all agricultural land in Britain as rapily as possible, with the state to provide for its management, was asked by the Labour party in a statement of policy for the future use of land and development of agriculture.

Mr. DEPUTY SPEAKER: Order. If I may be allowed, Beauchesne's Parliamentary Rules and Forms, Third Edition, citation 656, refers to matters that can properly be discussed on the second reading of a bill. I know that in the discussion of a bill of this kind considerable latitude must be allowed, but this afternoon I ruled against the hon. member for Weyburn for putting forward the policies of the C.C.F. as contained in a pamphlet. I must also ask the hon. member for Moose Jaw to remain within the orbit of the discussion, which cannot include political party platforms.

Mr. MACKENZIE (Vancouver Centre): May I suggest to you, sir, that the very essence of this measure is a combination of public support and government support of private enterprise, and I suggest that the hon. member for Moose Jaw has every right to discuss on the second reading of the bill all the implications of public ownership and private enterprise.

Mr. MacINNIS: This just goes to show where a ruling such as was made gets this house. We are supposed to be discussing the industrial development bank of Canada, but instead of discussing it my hon. friend is discussing a much more important programme to him, the programme of the C.C.F. and things of that sort.

Mr. MACKENZIE (Vancouver Centre): I think the hon. member for Moose Jaw should be permitted to make a complete reply to the animadversions of the hon. member for Weyburn.

Mr. COLDWELL: Then we also in this group reserve our right to make a complete reply to the hon. member for Moose Jaw.

Mr. DEPUTY SPEAKER: The question just raised shows the difficulties, but I have made my decision and I ask hon. members to abide by it. On the second reading of the bill hon. members should not discuss the merits or demerits of different parties.

Mr. ROSS (Moose Jaw): I have been stopped in the middle, as was the hon. member for Weyburn this afternoon. I have not even finished my last quotation. I am discussing one point, namely the nationalization or socialization of land. My hon. friend covered that completely.

Mr. DOUGLAS (Weyburn): I did not; I was still on it.

Mr. MACKENZIE (Vancouver Centre): Yes, he did.

Mr. REID: All we ask is fairness.

Mr. ROSS (Moose Jaw): I mentioned that I had an extract from a resolution unanimously adopted by the labour party of Great Britain in May, 1942. It is as follows:

> The conference therefore calls for the national ownership of agricultural land to enable its full utliziation by the development of a planned system of agricultural production.

Now, this whole trouble started because my hon. friend wants to get away from the fact that they believe in the socialization of land.

Mr. MACKENZIE (Vancouver Centre): The double shuffle.

Mr. ROSS (Moose Jaw): There are reasons for that, too.

Mr. DOUGLAS (Weyburn): Just keep to the facts.

Mr. ROSS (Moose Jaw): There are reasons for that, too; and one particular reason is that the hon. member for Weyburn is expecting an election in Saskatchewan.

Mr. COLDWELL: He is not the only one.

Mr. ROSS (Moose Jaw): He hates to have anything said about their past policy in regard to land. These hon. gentlemen have endeavoured to form a political party in which they have taken together labour and farmers.

An hon. MEMBER: It has done pretty well.

Mr. ROSS (Moose Jaw): And they say they have done pretty well. They may have done pretty well for labour, but they have not done pretty well for the farmer.

Mr. MacNICOL: And they have done less for labour.

Mr. ROSS (Moose Jaw): I do not know what they have done for labour, if anything. But I know that what the farmer wants and what the labourer wants are not the same thing, at all.

An hon. MEMBER: Are they not?

Mr. ROSS (Moose Jaw): The farmer is a capitalist.

Mr. COLDWELL: What do you try to represent?

Mr. ROSS (Moose Jaw): I try to represent both farmer and labourer, because they are all Canadian citizens.

Mr. GRAYDON: You must be Mr. Looking-Both-Ways.

Mr. ROSS (Moose Jaw): No, I am not. I am not trying to fool both of them, like my hon. friends are.

Mr. DOUGLAS (Weyburn): You are trying, but not succeeding.

Mr. ROSS (Moose Jaw): I am not trying. And I want to tell my hon. friend another thing: he has a great deal of ambition. That is a laudable thing, I will admit. I have been in the house for a long time, and when I speak now I speak my mind, not thinking at all of where the chips will fly, politically. I want to tell my hon. friend it is almost twenty years ago that I started into politics, running for this House of Commons.

Mr. HOMUTH: You are still just an infant at it.

Mr. ROSS (Moose Jaw): I have not cared a little whether I ever come in here again, and I do not care now. If my constituents, or the Liberal party in my constituency wish to select another candidate for the coming election, I will do my best to elect him. On the other hand, if the Liberal party in my constituency think I can do better in the election than anyone else, then I am willing to run again. But if I were to consult my own feelings in the matter I would be glad to get out of the game right now.

An hon. MEMBER: What has this to do with the bill?

Mr. ROSS (Moose Jaw): I have no ambition; I am not looking for anything, like my hon. friend. I intend to say in this house what I believe to be right, and if I run again my constituents will be willing to make their decision on what I have to say. I am not trying to run around and say that I do not believe in something I said I believed in ten years ago. I am still the same as when I came to this House of Commons.

Mr. MacINNIS: You have not learned anything.

Mr. ROSS (Moose Jaw): I have learned what a lot of demagogues there are in parts of this country. I have seen the type of politics now being played in Canada by my hon. friends, and I thank God the Liberal party never played politics in that way.

Mr. DOUGLAS (Weyburn): This is funnier than you realize.

Mr. ROSS (Moose Jaw): The hon. member is quite humorous himself. Then, the hon. member for Vancouver South—

Mr. GREEN: Be careful.

Mr. ROSS (Moose Jaw): —for Vancouver East (Mr. MacInnis) I should say, had something to say at one time at a convention at Regina. In the Regina manifesto of that time, namely 1933, they agreed that all natural resources and distribution—and everything else —should be socialized. But there were farmers in that meeting who did not agree with that. My hon. friend made a speech there, at that time. This was on July 20, 1933, and what he had to say then shows that the farmer and labour men in the C.C.F. party were not in agreement at that time. This is what he says:

> If the farmer wants a cooperative commonwealth in which everything is socialized but himself, he better have a cooperative commonwealth of his own.

I agree with him one hundred per cent on that.

Mr. MacINNIS: I should like to ask my hon. friend where he got that quotation.

An hon. MEMBER: You cannot take it.

Mr. MacINNIS: Where did he get the quotation?

Mr. ROSS (Moose Jaw): It was reported in the Regina *Leader-Post* of July 20, 1933.

Mr. MacINNIS: That is not an authority.

Mr. ROSS (Moose Jaw): That was published in Regina at that time. My hon. friend seems to think every newspaper misquotes. It is a terrible thing when you get to that state of mind.

Then, in connection with this matter of public, private or social ownership there is a new book now out.

Mr. HOMUTH: How much does that cost?

Mr. ROSS (Moose Jaw): One dollar each.

Mr. MacNICOL: Too much.

Mr. ROSS (Moose Jaw): It is called "Make This Your Canada." In this book there is an appendix.

Mr. MacNICOL: The appendix was not taken out.

Mr. ROSS (Moose Jaw): It is part of the Regina manifesto of 1933.

Mr. MACKENZIE (Vancouver Centre): Take out the appendix.

Mr. GRAYDON: Is that an acute appendix?

Mr. ROSS (Moose Jaw): At page 199 we find this:

> When private profit is the main stimulus to economic effort, our society oscillates between periods of feverish prosperity in which the main benefits go to speculators and profiteers, and of catastrophic depression, in which the common man's normal state of insecurity and hardship is accentuated. We believe that these evils can be removed only in a planned and socialized economy in which our natural resources and the principal means of production and distribution are owned, controlled and operated by the people.

In that he means by a government of the C.C.F. party.

Mr. MACKENZIE (Vancouver Centre): Socialization of land.

Mr. ROSS (Moose Jaw): And in the last few lines of the appendix we find this:

> No C.C.F. government will rest content until it has eradicated capitalism and put into operation the full programme of socialized planning which will lead to the establishment in Canada of the Cooperative Commonwealth.

I said a minute ago that I am a farmer. All farmers are capitalists. And my hon. friends say they will eradicate all capitalists. Thereby they will eradicate all farmers; I am sure of that.

They became excited when the hon. member for Rosthern began to speak about this matter the other day. But they fought an election campaign in Saskatchewan in 1934 when, I believe, the hon. member for Rosetown-Biggar (Mr. Coldwell) predicted, as he is predicting to-day, that his party would be the government of the province, with forty-two seats—just like that. Well, he did not get in, and neither did his party. Then they tried it again in 1938. They were going to have forty-two seats again. But he did not get in, and neither did his party.

Mr. DOUGLAS (Weyburn): We tried last August, and did pretty well.

Mr. ROSS (Moose Jaw): The hon. member is taking over, and he is going to try. No doubt before the election comes he will predict the number of seats they will take. As a matter of fact, according to them, it is in the bag. Let me tell my hon. friend that he will never be premier of Saskatchewan. The people of Saskatchewan have far too much common sense ever to listen to a policy of the kind which my hon. friend is advocating. The people of that province do not believe in the socialization of land, whereas the C.C.F. does, and they know it, and my hon. friends will never get anywhere with their socialization in Canada, especially in Saskatchewan.

Mr. DOUGLAS (Weyburn): You ought to have mentioned the bank at least once.

Mr. A. J. BROOKS (Royal): It is not my intention to-night to discuss the C.C.F. policy, nor do I intend to take up much time in the consideration of this bill. In the few days that I have been in the house I have not had an opportunity of reading the bill and of looking into each of its provisions. However, I was quite intrigued with the preamble and particularly the clause which states that it is desirable to establish an industrial development bank to promote the economic welfare of Canada.

In discussing this bill to-night I hope I shall be pardoned if I dwell more particularly on that part of Canada from which I come, the maritime provinces. If industrial development is needed anywhere in this dominion I feel that it is and has been needed in the little provinces down by the sea. We have been more or less neglected for a good many years.

The hon. member for Lake Centre (Mr. Diefenbaker) this afternoon discussed the matter of our war economy and showed how the maritime provinces and other parts of Canada have been neglected while in the central provinces most of the war contracts have been filled. That is something which we cannot change at the present time, nor would it be well for us to undertake to do so at this late date. However, our hope is that this condition, which has existed and which exists at the present time, will not continue in the future.

I am going to discuss this bill from the point of view of our post-war economy, and in doing so I would call attention to the pre-war economy of Canada. There is no doubt that after the war is over we shall have to go back to a certain degree to conditions such as they were in 1938, the year before the war. At that time the two provinces of Ontario and

Quebec had over eighty per cent of the industry in the dominion. There was $2,696,000,000 invested in the manufacturing industry in those provinces. We are told that this was due to geography, that it was due to the great water-power resources in these two great provinces and to the nearness to large markets in Canada and the United States. In British Columbia there was 6.8 per cent of the industry of Canada; in Manitoba, 3·9 per cent; in the provinces of New Brunswick, Nova Scotia, Prince Edward Island, Saskatchewan and Alberta there was less than 9 per cent of all the industry in the whole dominion; and we in the maritime provinces had less than 4 per cent. I call attention to this fact and express the hope that this condition will not prevail in the years to come.

What has been the result of this unbalanced economy in our provinces? If the house will bear with me for a few minutes, I would like to show from the census report of 1931 what really has been the result of this unbalanced economy as far as our provinces are concerned, and I think I can best do this by comparing the population of different constituencies in the maritime provinces fifty years ago with the population in the year 1931, the latest census report I could obtain at this time; there is not much difference in 1941:

Prince Edward Island:

	1881	1931
Kings	26,433	19,147
Prince	34,347	31,500
Queens	48,111	37,391

Next I turn to the province of Nova Scotia. I am not going to take all the counties, but what was true in some was true in most:

	1881	1931
Annapolis	20,598	16,297
Antigonish	18,090	10,073

Take New Brunswick, my own province, and take first my own county of Kings:

	1881	1931
Kings	25,617	19,807
Queens	14,017	11,219

Queens is also a part of my own constituency. I could go on to show the condition in the counties of Albert, St. John, Victoria, Kent and most of the other counties in New Brunswick and in the other maritime provinces, which have all suffered the same fate. What is the reason? I contend that the reason has been the unbalanced economy we have had in Canada, and I think I can truthfully say the unfair treatment which we in the maritime provinces have received. Where have our men been going? Any member from the maritime provinces will agree with me when I say that there are more of our people in the New England states than there are in our provinces at the present time. Take the cities of Saint John and Halifax. I am sure we all listened with pride yesterday to the Minister of National Defence for Naval Services (Mr. Macdonald) when he told us of the splendid exploits of our navy during this great war. He could also have spoken of the work that was done during the last war by the British navy and the small navy that we had developed. But I should like to ask hon. members what parts of Canada, what seaports of this great dominion, have played the most important part in Canada's war effort. They will agree with me that it has been the old cities of Saint John and Halifax. I wonder what would have been the result in this war, as far as providing Britain with supplies is concerned, if we had not had those open ports of Saint John and Halifax to supply the life-line to Great Britain. Have they increased in population? Have they increased in industries to the same extent as have other parts of Canada? Anyone who looks at the record of our census of fifty years ago will see that the city of Saint John had almost the same population then as it has to-day. It is true that the city of Halifax has had some considerable increase in population during these war years, but neither city has increased in any proportion like other industrial cities of Canada. Are those cities which have played such a brilliant part in this great war to go back to the same conditions after the war is over? Are they to be, as Kipling said of Tommy Atkins, "heroes" while war is on, but "forgotten by the people they served" after war is over. I make this appeal, Mr. Speaker, because I believe that if any section deserves, as this bill states, to have promoted the economic welfare of the country, it is the section of Canada from which I come.

Take, for instance, our young men. Someone made an appeal this afternoon for the young men who are returning from the war. What are our young men to return to in the maritime provinces? Are they to return home and remain there for but a short time and then have to go across the border or to western Canada or to some other place away from their homes because there has been no proper economy established in our own provinces? I do not know whether this bill will satisfy the purpose. Frankly I do not think it will. It speaks of a hundred million dollars. Why, that is a mere pittance as far

as the great necessities in this dominion are concerned. I do not know that our own banks cannot supply the great need. I have a great respect for the banking institutions of the Dominion of Canada. They are considered and have proved to be one of the finest banking systems to be found anywhere in the world. If this bill will help I am all for it. It has been characterized as a feeble step. I trust that it is a feeble step in the right direction. I hope that if it will bring any economic security to Canada, we in the maritime provinces will receive a fair and just share of that economy, something to which we have been entitled for many years and which is many years overdue.

Mr. G. G. McGEER (Vancouver-Burrard): Mr. Speaker, in rising to-night to address a few remarks to the second reading of this bill I am going to take the privilege of drawing to your attention the fact that I believe this is the most important measure that has been introduced in the House of Commons since the introduction of the Bank of Canada bill in 1934, with the possible exception of the introduction of the bill in 1938 under which the Bank of Canada became a publicly owned national institution of Canada.

When that bill was introduced I felt and said that it was one of the greatest reforms that had ever gone through parliament since the days of the Canadian federation. The bill that we are now discussing is the first step in laying the foundations for the financing of the peace that is yet to be won. Upon the action of this parliament, the course that it follows and defines and the policies that it develops with regard to financing the post-war period, will depend in no small measure whether, after victory in war, we are to have victory in peace.

In introducing the bill the distinguished parliamentary assistant to the Minister of Finance (Mr. Abbott) indicated that it was part of a programme required to maintain employment and national income after the war at a higher level. It is to finance such industrial activity as will support and sustain a national income and full employment that this bill is designed to help. The other day in the house I drew attention to a warning by the governor of the Bank of Canada to the government, to parliament, and, I take it, to the people of Canada, of the seriousness of the problem that we face in maintaining high employment and a high level of national income in the future. Let me repeat this statement which is found at page 12 of his annual report:

> After the war, some of those who are now employed will voluntarily withdraw from the working force, and the armed services may be maintained at a level considerably above their pre-war strength. It seems likely, however, that at least 4,700,000 workers will be available for employment in civilian jobs, or at least 1,500,000 more than the number employed in that sector of the economy at the present time. A working force of this size, at present rates of efficiency, will be able to produce a vastly greater volume of civilian goods and services than Canada has ever known before . . . and capital development will be necessary if this output is going to be fully absorbed and high employment maintained.

A vastly increased volume of consumption will also be required. Mr. Towers points out that the key to this problem, as to many others, lies chiefly in the maintenance of a high level of employment and income.

My first query on this legislation is: Is that the kind of job that we want to associate with the Bank of Canada? Let me draw this to the attention of the house: The new industrial bank proposed by this legislation is a part of the Bank of Canada. In my opinion it is stretching rather a long bow even to say it is a subsidiary corporation of the Bank of Canada. The Bank of Canada supplies the capital for the corporation, and exactly the same governor and board of directors are in control of both banks. Governor Towers is to be the head of this industrial development bank. I question the wisdom of having this kind of work associated with the Bank of Canada because of the special duties and responsibilities which the Bank of Canada has to fulfil. Let me draw attention to the Macmillan report upon which our Bank of Canada was founded. At page 62 of that report these questions were asked:

> To what extent and through what organization should the volume of credit and of currency be regulated?

That means the medium of exchange for every person, every corporation and every activity in the whole Dominion of Canada:

> On what body should lie the primary responsibility for maintaining the external stability of the country's currency?
>
> To what institution may the government of the day most suitably turn for informed and impartial advice on matters of financial policy?

The answer given was a central bank; and the answer given by this parliament, by the Liberal party and the Liberal government, was a nationally owned central bank, which is our Bank of Canada to-day. Now let me give the house a little further insight into what the Macmillian commission defined as the duties and responsibilities of the Bank of Canada:

A central bank is at the same time an instrument and a force. As an instrument it is the means by which the state—which must necessarily retain ultimate sovereignty in matters affecting the currency—can give effect to the national policy. As a force the central bank has certain powers in its keeping which can be used to achieve the ends of national policy. Clearly these powers are of differing efficacy according to the aim of the policy. A central bank cannot be expected to influence directly the price of a particular commodity. It is even not desirable that a central bank should be specifically charged with any responsibility for the general price level of a country. There are many factors, of varying nature, which combine to influence that level, and a central bank, working as it does purely in the monetary sphere, cannot be expected to have complete control, though it may well have a measure of influence. If it attempted to exercise any drastic control it would have to wield powers far beyond those which any body other than the sovereign authority would be entitled to exercise. It is manifest, however, that the regulation of the volume of credit is an important factor in influencing the level of economic activity and therefore of prices and this is one of the cardinal tasks of a central bank. In the absence of a central bank it is a task the fulfilment of which is either left to chance, or performed inadequately by other agencies. The regulation of the quantity of credit is effected by the action of the central bank on the reserves of the commercial banks. By increasing or diminishing these reserves, or by increasing the cost of securing them, there is set in motion a process of expansion or contraction through the ordinary channels of banking. A central bank is thus not a competitor with the commercial banks. Its functions are regulatory and indirect.

Do hon. members realize how far away from that sound appreciation of the work and responsibilities of a central bank you go when you set up a bank, right within the bosom of the Bank of Canada, and use Bank of Canada money, Bank of Canada prestige and Bank of Canada authority to go into competition with the commercial banks which you are supposed to regulate through your national central bank? So that there may be no doubt about that, let me quote what was said by the hon. member for St. Antoine-Westmount (Mr. Abbott) in moving the second reading of the bill. I refer to page 1059 of *Hansard* for March 2, 1944:

As to the bill itself, it is proposed that the bank will be a subsidiary corporation of the Bank of Canada having a board of fifteen directors composed of the members of the board of directors and the assistant deputy governor of the Bank of Canada, with the governor of the Bank of Canada as president. The capital stock of the bank is to be $25 millions all to be subscribed by the Bank of Canada, with $10 millions or more to be paid up at the time this act comes into effect.

I cannot believe that those responsible for this legislation have ever considered how completely this change in banking policy disrupts the whole policy, the independence and the power of the Bank of Canada itself. Surely that must be a question with which every member of the government and every member of this house is deeply concerned. Can anyone conceive of the governor of the Bank of Canada regulating the banks, stabilizing the price level as far as he can by the regulation of the volume of credit, and then going into the business of financing Canadian industry, in competition with the banks that he is supposed to control and regulate? That is something I hope will be given full consideration in the banking and commerce committee when this bill gets there.

The objectives of this bill are excellent; but is this the best way, the sound way to achieve them? I do not think it is. We have an example across the boundary line to the south of us in the Reconstruction Finance Corporation, which operates not as a bank, not as part of the federal reserve system of the United States, but as an independent agency of government doing a job not in creating capital and developing industry alone but in meeting, in a particular and general way as an agency of the government of the United States, the economic needs of the whole nation. Yes, I will recommend to the banking and commerce committee, when this bill is under consideration, that it be abandoned and that a reconstruction finance corporation or an institution along similar lines be substituted in its place.

The next point I wish to make is this: Does this bill conform to Liberal policy? To us on this side of the house that should be a grave and proper question for consideration, because we have great reason to be proud of the Liberal financial policy so far as it has gone. We have good reason to want to preserve and protect it. Let me recall it to you, Mr. Speaker, as it was laid down in this house in the days when the Liberal party was in opposition and when the Bank of Canada bill was introduced by the Conservative party. On June 21, 1934, the present Minister of National Defence (Mr. Ralston), who was then the recognized authority of the Liberal party in the realm of finance, denounced the Bank of Canada as created by the Bennett government on the ground that it abrogated the sovereign rights of the dominion. In his opposition to the bill he said:

The control of credit and currency is the biggest and most important public utility in the economic activities of the Dominion of Canada. I submit, Mr. Chairman, that the Prime Minister and those who have drafted the Bank of Canada bill have forgotten for the moment that after all this (the issue and control of national currency and national credit) is a state function.

And again:

I repeat that this (the Bank of Canada) is a public utility of the greatest magnitude and importance and the citizens of Canada should not relinquish control of its administration to any group of private citizens.

Our distinguished Prime Minister (Mr. Mackenzie King) who was then leader of the opposition, supported the attitude of the present Minister of National Defence with this statement on June 27, 1934, as reported at page 4362 of *Hansard* of that date:

The Liberal party believes that credit is a public matter, not of interest to bankers only, but of direct concern to the average citizen. It stands for the immediate establishment of a properly constituted national central bank, to perform the functions of rediscount, and the control of currency issue, considered in terms of public need. A central bank if necessary to determine the supply of currency in relation to the domestic, social and industrial requirements of the Canadian people; and also to deal with the problems of international commerce and exchange.

I desire to direct special attention to these words: "A properly constituted national central bank."

Also: To perform the functions of rediscount, and the control of currency issue, considered in terms of public need.

Note "in terms of public need" not possible private gain.

It will be said that because the Bank of Canada owns all the stock of the industrial development bank, it is publicly owned. So far as that goes that is all right. But when you come to the stock in trade which this bank must have to operate, when you come to its capital finance, you find something very different. I fear that with this bill we are going back to where we were in 1936 when we said we would only make fifty-one per cent of the stock publicly owned and forty-nine per cent privately owned. I opposed that bill quite bitterly because I believed that a partly privately owned and partly publicly owned bank was worse than a privately owned bank.

How are you going to finance this bank? The Bank of Canada is going to put $10,000,000, possibly another $15,000,000, of Bank of Canada cash and then you are going to sell bonds.

Mr. ABBOTT: Perhaps to the Bank of Canada.

Mr. McGEER: My hon. friend from Montreal says "perhaps". There is no "perhaps" about this proposition as far as I am concerned. Let us assume that we exercise the power that is there and sell bonds in the open market. We then change this industrial development bank from a publicly owned national utility into a partly publicly owned and partly privately owned investment corporation. Mr. Towers cannot function with his board of directors, using borrowed money from bondholders which is not guaranteed by the government, unless he respects the trust that that obligation imposes upon him to protect that private capital. Yes, we are turning the clock back, not forward.

Now let me come to those words "in terms of public need, not possible private gain." When we issue Bank of Canada stock or Bank of Canada cash to pay for the stock it can be said that we give to the industrial development bank about the cheapest kind of money any bank can get. But it is not quite as cheap as the kind of money the chartered banks get. When we give, as we do under our law, the power to the chartered banks to multiply their cash reserves by ten, we give them the power to create lending capital finance in their own bookkeeping system. Let me ask: Why can we not give to this national utility the cheapest kind of money available, money that has proven its value because our bank deposit money has financed us through this war? If you want to issue currency and credit in terms of public need, not private gain, in order to help small industry, surely you want to help them at the lowest possible rate of interest and the least cost. When you give this corporation the power to borrow in the open market you must intend that that corporation is going to borrow.

I contend that on two distinct grounds this bill violates Liberal policy. First, it is not giving money for use in this development bank in terms of public need, not private gain. Through the whole picture of the sale of bonds to raise the capital finance of this corporation appears the principle of private gain. What price are you going to get for industrial development bank bonds not guaranteed by the government? Surely not a better price than government bonds themselves. Possibly considerably more because there is another factor that cannot be overlooked. You are going to lend money only on things that nobody else will touch. I think this a weird conception of the kind of expansion and extension that we should add to the Bank of Canada.

I come now to another feature. If, sir, you will read Mr. Towers' annual report for 1943 I think you will agree with me that he correctly envisages the situation that we all know very well. After the last war we went through the post-war boom and the post-war depression, and what did we find? After the last war we had an accumulation of

credits, bank deposits, bonds. After the war we promoted production; we sent ourselves booming along the road, putting money into every conceivable type of investment, and what was the result? At the very moment that we were spending more money, turning it over at a higher rate of velocity than ever before, when we had more money in our possession and in circulation than we ever had before, you did not see this inflationary St. Vitus dance that you have seen so often here—no, it was at that period that you had a complete collapse of your price level and you went hurtling into the depression of the economics of glut.

Now here is a bank that is to come along, not to inaugurate an adjustment of an unprecedented nature, as Mr. Towers suggests, but to be a pattern of the very thing, in line with the very programme, that brought us to disaster in 1930. We are not changing; we are repeating. That is something which, in the light of the lessons we have learned, history will never justify if this parliament permits that mistake. Let me give the house an idea of the enormous volume of capital finance that we have created during this war: Bank deposits have increased from $3,378,000,000 in 1939 to $5,149,000,000 in 1943, an increase of $1,871,000,000. Our Bank of Canada cash has increased from $587,000,000 in 1939 to $1,312,500,000 in 1943; that is paper money circulating without gold. Our bonds issued by the national government have risen from $4,693,000,000 in 1939 to $11,302,000,000 in 1943. We started this war with $8,158,000,000 of bank deposits, Bank of Canada cash, and bonds of the dominion, which are liquid assets, and already to-day we have $17,753,000,000, or an increase of $9,500,000,000, in our capital available for investments—and we are supposed to need more!

Our problem in the post-war period is not going to be to secure production out of the enormous equipment that we have developed in the last four-year period. Our problem is different from that. It is to find consumption.

This bill gives us more where we already have too much. It certainly gives us more debt, and we have far too much of that to-day. It adds to the financial facilities new means of doing a job that cannot be done unless adjustments are made that are going to look to our economic needs in a different light. We in Canada must see to it that we adjust, not supply to demand, but demand to supply. This bank is not the kind of remedy that is needed now. This is not the kind of policy that will ever put Canadians to work or circulate the medium of exchange.

[Mr. McGeer.]

I wish to suggest the job we have to do, and I think it is a job on which we can drop party politics and unite as a parliament to work out a programme which will guarantee that the sacrifices already made and those still to be made will not be all in vain.

We know what we can produce in Canada. We are one of the richest people in the whole wide world. Where is there a people of fewer than twelve millions possessed of all the wealth and all the riches that we possess who dwell upon this magnificent strip of earth between the Atlantic and the Pacific? Where else are there so few who have so much? Our resources are no longer tied up. Our industrial power have proven quite capable of bringing all our resources to the service not only of Canadians but of others. How long is parliament to continue to allow this nation to be fettered and restricted in bringing into being and into use and service the things that Canadians need?

Yes, we need a change in our financial policy. We need to set up a branch of the Bank of Canada that will finance this dominion. We do not need to go selling bonds to get money to rebuild the Canadian National Railways. We do not have to go to New York or London or Berlin or any other place to get the capital finance to build our national harbours. We do not need to go abroad to get the means to finance our municipalities. We do not need to go abroad to finance the development of our Canadian natural resources or the resources of the provinces. We have proven Canada's financial independence in this war. When we went into this war we were supposed to be bankrupt, according to the doctrines of orthodox finance, and what happened? Did we go to Berlin to borrow any money for the enormous capital finance that was required to bring the nation into war production and put us on a war basis? No; Berlin was closed, and so was Paris. Did we go to London? The first thing we did was to lend London $700,000,000, and then to make a gift of another $1,000,000,000 to Great Britain. We produced the capital finance, every dollar of it, right here in Canada for that enormous programme. Will anybody say that we are to be hobbled and fettered henceforth by the theories of banker philosophy? I want to say that when this problem comes up for settlement in this parliament, this parliament will settle it to the satisfaction of an enlightened Canadian people, or an enlightened Canadian people will find a way to settle it themselves.

I wish to say a word about some of the things we must do to adjust demand to supply. We must give our schoolteachers better salaries. We must give our school children better

schools. We must give our people throughout the dominion better health services. We must give our postmen a better living allowance than they are getting.

Mr. McIVOR: And our rural mail carriers.

Mr. McGEER: Yes. We must go through our whole social structure giving the people the means of living as they should live and an appreciation of the fact that buying power helps to keep Canadian industry on the move and Canada a going concern moving forward.

There is the problem. Of course it is large, but it is nothing as compared with the problem we faced in 1939, and met with such magnificent success. Canadians have good reason to be proud of the magnificent war effort they have put forward under the leadership of this government. Their pride is not an idle thing. Properly appreciated, it gives to them the assurance that they can go forward into the peace, gleaning from their own nation's resources and their own industrial power a wealth they never dreamed they possessed. You will never get it out of St. James street or Bay street. You must get it out of this parliament, and this is the start.

There is just one other question I offer for the consideration of the house and of the banking and commerce committee. This bank could never succeed. In the first place, the only kind of loan it is going to make is one that nobody else will touch.

Mr. ABBOTT: Read section 15.

Mr. McGEER: Well, just let me quote my hon. friend, and see if my statement is any broader than his. Here is what he says, as reported at page 1059 of *Hansard:*

> This industrial development must be financed. Undoubtedly the cash resources of industry, including refundable taxes, have risen in recent years and will be used to finance part of the expenditures I have just mentioned. But industry's own resources may be far short of the total amount of financing required. It is therefore in the national interest to ensure that such additional financing as may be necessary and desirable will be available to industrial enterprises.

And again at page 1060 the parliamentary assistant has this to say:

> I want to make it clear that this bank is intended to supplement the activities of existing lending agencies rather than to displace them. If the credit requirements of a business are of such a nature that they can be obtained from a chartered bank or in the investment market, well and good.
>
> But if they cannot be obtained there, then the industrial development bank is supposed to come into the breach.

Can we imagine the governor of the Bank of Canada meeting a supplicant who has this to say, "I went to the Bank of Montreal, but they turned me down. I went to all the other chartered banks, and they turned me down. I went to all the investment brokers and they turned me down."

Mr. ABBOTT: Too small.

Mr. McGEER: Well, all right—"I went to the shark loan companies and they turned me down"—because nothing is too small for them. Why, do hon. members know that the Canadian Bank of Commerce makes personal loans to anyone who will come in and borrow from them to-day?

Mr. ABBOTT: For ten years?

Mr. McGEER: For any length of time they will take them.

Mr. ABBOTT: No, no.

Mr. McGEER: My hon. friend says no. Well, do not make any mistake about it, that if you can get your money from any other place you are not supposed to go to this bank. That is abundantly clear in the sections of the bill.

Mr. ABBOTT: At reasonable rates.

Mr. McGEER: At reasonable rates, yes. But on what grounds do you assume that, with the enormous volume of currency, credit and capital available, if you have a sane proposition anyone cannot get reasonable rates? And if that is so, are those chartered banks entitled to hold their charters any longer?

Let me carry a little farther my explanation of what the Canadian Bank of Commerce is doing. My hon. friend says that it does not lend small amounts for ten years?

Mr. ABBOTT: No.

Mr. McGEER: I happen to know of some small accounts that have been there longer than that.

Mr. ABBOTT: That may be, but I know of no Canadian bank which lends money on a ten-year loan. They may be stuck for ten years, but they do not lend it for ten years.

Mr. McGEER: That may be true. I do not believe Mr. Towers is outside of that category. But how could Mr. Towers lend where all the others refuse, even on a long-term proposition? What kind of example would he set? Mr. Towers is a banker, an orthodox banker.

An hon. MEMBER: A good banker.

Mr. McGEER: A good banker; that may be true. And if that is true, from my understanding of the term "good banker" then I say, "Heaven help the industrial development of the Dominion of Canada."

There is one other feature. To this bank we issue Bank of Canada bills, and we also issue bonds. But let us for the moment assume that we do not issue bonds, and that we float the bank, as was suggested by the hon. member who introduced second reading, by the issue of $100,000,000 of Bank of Canada cash. That $100,000,000 is going to be spent; it will find its way into the chartered banks and, under our law, they will have power to expand that $100,000,000 of Bank of Canada cash into $2,000,000,000 of bank deposits. Here we have what the Minister of Finance (Mr. Ilsley) has repudiated as inflation of the kind that would blow the lid off. Either you are going to move against Liberal principles and against Liberal policy, or you are going to move into a dangerous condition of inflation.

I think it is well that this bill should go to the committee on banking and commerce. What I am saying to-night is an indication of the stand I propose to take when the bill is before that committee. From the very beginning we should have with us the report of the Bank of Canada for 1943, and I do not think the committee should undertake to deal finally with any measure of this kind until all the financial measures of the government are before the banking and commerce committee, so that we may come back to parliament with a full and complete report.

Let me, in closing, say that this is a year of great decisions. No group in any parliament of any nation has a greater opportunity to do something really worth while than the men who are privileged to sit, let us hope, on the eve of a united nations victory, in the parliament of Canada.

Mr. E. E. PERLEY (Qu'Appelle): Mr. Speaker, when the house met at eight o'clock the hon. member for Moose Jaw (Mr. Ross) took the floor.

An hon. MEMBER: We are getting back to Saskatchewan.

Mr. PERLEY: He precipitated what might be termed a row, and there was uproar in the house. He generally does provoke discussion of that kind, and sometimes I admire his courage. But I do not think that in the discussion of this measure the policy of any party is at stake, nor is it necessary for us to discuss the policies of the respective parties. We need only consider the financial policy of the government in so far as this bill is concerned.

Following all that chaos, the hon. member for Royal (Mr. Brooks) and the hon. member for Vancouver-Burrard (Mr. McGeer), have brought the house back to a reasonable state of mind. I think the house is prepared now to listen to a moderate discussion of the measure and we have just had that. The hon. member who has just taken his seat has stated that this is a very important measure, and I certainly agree with him. I would not pretend to answer him, and I am only following him to take the opportunity this evening of saying a word or two. However, he has said many things in this chamber, not only this evening but on other occasions, which it is difficult to answer in the negative, and many of the policies he has enunciated are worthy of the careful consideration of the house.

I recall that when the hon. member came before the banking and commerce committee in 1934 he propounded some important policies with respect to finance, but he was not able to convince that committee. I do not know how he will get along with the present committee when this bill goes to it, but I listened to him carefully, as I always do, because I happen to be a member of that committee and there is a certain responsibility attaching to every member. When this measure comes before the committee I think we shall be prepared to give it reasonable consideration, and to listen to any argument from anyone, particularly the hon. member who has just taken his seat.

This is a bill to set up a bank to assist industry. No doubt we have reached the point where that is necessary. When I got a copy of the bill I reviewed it, and since I recalled the central farmers' mortgage bank I went to the library and got that act of 1938 to compare it with the one before us. I find that the first few sections are almost similar, but farther on I find two distinct fields of operation for these two measures. In this bill there is, of course, no provision for assisting agriculture. The parliamentary assistant to the Minister of Finance (Mr. Abbott), in reply to the leader of the opposition when he was speaking to the measure, in giving his general statement, as reported at page 913 of *Hansard*, said that the bill does not apply to agriculture. He stated that the government is giving consideration to other measures having a similar purpose in the field of credit for agriculture. It might have been well if we had had before us this other measure of which he speaks. In my opinion, they should both go to the banking and commerce committee and be considered more or less at the same time, because we might consider one measure and dispose of it and then, when the other came along, it might necessitate some amendments to the bill that had

been finished. I should like to have seen the measure which the hon. gentleman proposes to introduce, even before we finish with this bill, and certainly before it is disposed of in the banking and commerce committee.

I do not think the private banks have served as they should have. They have not served industry as well as they should have, because the government has been called upon to the limit. The private banks for the last few years have been running true to form, because I can remember that in the very early days in western Canada, when the private banks got settled, they were quite free with loans to farmers in particular who were buying and improving land. When, however, we got into a year or two of difficulties they put the lid on, so to speak, and clamped down on the farmers, forcing them to go to the loan companies. That was certainly a mistake, because the loan companies, while for a time they took over the financing of the farmers, ultimately found themselves in difficulties that we are aware of. We know what is happening to-day.

The question of short-term loans and banking methods with respect to loans was discussed in the last part of the speech delivered by the hon. member for Vancouver-Burrard. Banks have been lending money over a period of years and have been getting well paid for it in the interest they have collected. I have had a little experience myself, and I know that when they gave a loan for three months in the spring of the year, to assist a farmer with seeding or some other operation, that note had to be renewed. In the early days the interest was always eight per cent, because the farmer always had to wait until harvest for his return; in many instances the note was renewed again, at compound interest, and in the end the interest paid was nine or ten per cent. That is the exaction they took from the western farmers, and they are running true to form, because to-day they will not assist small industries or even farmers to any extent.

Industry has to be assisted, and for the most part I am in agreement with the measure. While it does not consider agriculture, it is at the same time designed to assist small industry, and industry has played a good part in the war. Industrialists came forward at the start, and the whole question was of such magnitude, the financing of war production was so important, that they had to have assistance. The government gave that assistance, and industry was willing to help as far as it could.

I agree with the hon. member for Vancouver-Burrard when he says that the Bank of Canada should be called upon to shoulder a greater load and to assume a greater responsibility. This bill, boiled down, really throws the whole post-war financing back on the Canadian people, and if it does, then I ask, why does the Bank of Canada not admit it and take over the whole thing? Why does it not take the load now? While we are not discussing agriculture, I would observe that the land for the last fifty years has carried a greater share in bringing about advancement and improvement in all lines of industry in Canada than it should have borne. I was going to say that for the last fifty years the land has carried the whole load, because we know what would have happened to industry in the east if there had been failure over the great bulk of the land in western Canada.

Something was said this afternoon with respect to decentralization of industry. The hon. member for Royal put some figures on *Hansard* to-night, showing the percentage of industry in each of the provinces prior to the war. Saskatchewan has only four per cent of the industrial enterprises of Canada. I think that is a small share compared with what we should have. When the hon. member for Weyburn (Mr. Douglas) got down to a quiet time in the house he made a plea for assistance to cooperative organizations. That is an important matter and the suggested bank should consider it. Many cooperative organizations in western Canada have made a start. The foundation is laid and there should be some means through this measure to assist them. We want that in western Canada. It is important that we have small industries started out there, industrial plants to process the oil-bearing seeds, pressing plants, if you like. By this means we could save the freight back and forth to eastern Canada on the raw product and the finished product. If there is to be development along that line I think we should have the development in the centre where the raw material is produced. We should have small processing plants established there. I hope consideration will be given to such organizations by this measure.

I should like to have received more details from the parliamentary assistant to the minister or the minister himself before the bill goes to the banking and commerce committee. We should have more detail than we have had in order that we could consider it in a better way.

Something has been said about the rehabilitating of returned men. I hope that due con-

sideration will be given to that. When these men return I do not think they should have to get down on their kness for a permit to establish themselves in any line of business, in storekeeping or anything else. Many of the men will go back to businesses with which they had some connection in western Canada before they went to the war. Due consideration should be given to these men to reestablish themselves. If necessary, small companies should be organized and receive assistance.

Section 5 of the bill sets out who the officers shall be. I believe we should have more detail. Of course, we may get that information in committee. The governor of the Bank of Canada, the deputy governor and his assistant will be directors. I believe we should know the other directors before the bill goes to the committee. I should like to know if a shareholder or a director of any of those companies can be on the board of directors of this bank. That is something that has not been answered and I think it should be.

I would suggest further that some pressure should be brought to bear on the chartered banks to induce them to fulfil their duty with regard to financing small industries and producers in the west, if you like. That is important.

In closing, may I say I do not think it is necessary to hold up the measure at this time. There has been a general discussion. Many points have been brought forward. I happen to be a member of the banking and commerce committee to which this bill will be sent. I look forward to a complete statement being made when it comes before that committee, much more so than we have had in this house, with respect to how the whole plan is to work out, who will be responsible and who will be on the board of directors, other than the three names given in the bill. That is important. I hope that agriculture will have some representation on the board. I am waiting with interest to get more detail on the bill when it comes before the committee.

Mr. ANGUS MacINNIS (Vancouver East): I did not anticipate when this measure was brought before the house that it would lead to so long a debate as we have had. I thought at the time that when the leaders of the various groups had indicated their attitude toward the bill it could then go to the banking and commerce committee and that we could dissect it there and get all the information required. However, I am not sorry that the debate has taken place and continued as it has. Some of what we have heard has been very informative, and, some not at all relative.

[Mr. Perley.]

I agree with hon. member for Vancouver-Burrard (Mr. McGeer) that the bill is an exceedingly important one. It is important because credit and finance will of necessity be an important part of our peace economy, as it has been an important part of cur war economy. But the bill is important for another reason. It is the first of the measures mentioned in the speech from the throne that has been brought to the floor of the house in a concrete form. If the bill as it now stands is any criterion of what the other measures mentioned in the speech from the throne are to be like, then I think my first impression of the speech was correct, that the proposals in it were put there for window-dressing.

I think several things should be clear to members of the house by this time. We have gone through two periods that should have, if we are capable of learning or capable of understanding, taught us something. Since the last war we had the period from 1929 to 1939 which can be described as the depression of plenty, and we have had nearly five years of war. Despite the fact that about one and three-quarter millions of our most productive workers are taken out of production, the Canadian people have lived better during the past five years than they have in any other time in history. Surely those facts should make us think and think to some purpose. If the period from 1929 to 1939 has taught us anything it is that so-called free enterprise has demonstrated its inability to feed, clothe, house and educate the people of this country at anything like a decent standard. On the other hand, five years of war have demonstrated that we can produce and distribute as long as we have three things: material, machines and labour, and, of course, the will to use them. Purchasing power accrues from the operation of these factors, and the government of the day should be prepared to give us something at this time that would hold out to the people of Canada more hope than they can get out of this bill.

During this debate we have heard a good deal about socialism and free enterprise, but I believe one thing is definitely accepted today: that is, that no one, I do not care whether he is an employer, a business man, a banker or anyone else, expects private enterprise to give full employment and a high standard of living when this war is over. Every statement I have seen so far says, in effect: leave it to free enterprise, and to the extent that free enterprise cannot provide full employment, then the government will step in. That is another way of saying, leave the cream to the skim milk. The only question, there-

fore, that faces us now is when and to what extent the government should intervene; and let me say again that if this measure is any criterion of what we may expect from the rest of the government's programme, the speech from the throne was indeed a barren one.

When the hon. member for Lake Centre (Mr. Diefenbaker) spoke this afternoon he said that the bill would not give assistance to small business, though that is said to be one of its purposes. I am afraid it is going to be extremely difficult to contrive any sort of scheme that will enable small business to continue side by side with monopoly and big business. In a competitive system the strong always survive and the weak always go under. That is the law of competition, and as long as we accept competition we must accept its law. The process that has gone on between big business and small business, if you like, the process of the elimination of small business, has been steady and relentless since the time the handicraft workers were deprived of their livelihood and driven into the factories by the new power machines. The same process is still going on to-day.

I should like to give a few examples to show what has happened in our own time, during the life time of everyone here. I will begin with the chartered banks. In 1911 we had twenty-eight chartered banks in Canada with total assets of $1,390,000,000. In 1942 we had ten banks, but with total assets of $4,008,000,000. Since 1911 the number of chartered banks has decreased by eighteen, but the assets of the ten remaining banks are almost four times greater than the assets of the twenty-eight banks were in 1911.

What has happened in the banking business has happened all the way down through our industries. Let me give a few more examples. The figures I am about to quote are taken from the report of the royal commission on price spreads and mass buying, which sat in 1934 and 1935. According to that report, in 1933 there were 127 tobacco firms in Canada. One of these firms, the Imperial Tobacco company, controlled seventy per cent of the business while another, the Macdonald Tobacco company, controlled the greater part of the remaining thirty per cent. This is what the commission found with regard to the Imperial Tobacco company; this is what happens to small business when big business is in control. The volume of sales during the depression was maintained by beating out competitors; prices were maintained by what the commission termed "oppressive tactics and unethical methods." Here are some of the ways in which competition was eliminated: (1) Refusal to sell to dealers who cut prices; (2) Forced on them written contracts to maintain prices of tobacco supplied by all firms; (3) Offered ten per cent discount to certain retailers to buy directly, thus eliminating the wholesaler and increasing control; (4) Insisted on preference in display advertising over other firms, and intimidating dealers. May I point out again that this was the finding of a commission composed of members of this house, the chairman of which in the latter stages, if I am not mistaken, was the hon. member for York-Sunbury (Mr. Hanson).

Then we come to meat packing. With the exception of bread perhaps no article of food goes into so many homes as meat. In the twenty-five years prior to 1933, through merger and consolidation, the meat packing industry came under the control of very big business companies. In 1933 the two largest, Canada Packers Limited and Swift Canadian Company Limited, did eighty-five per cent of the business. Canada Packers, the largest, is a typical example of this sort of monopoly. It results from the merger of four packing concerns in 1927. In 1934 Canada Packers controlled seven creameries, six packing plants, twenty branch houses, two cold storage plants, one wool pulling plant, three canning plants and three fertilizer plants. In view of this, may I say again that those who hope to resurrect small business and keep it in competition with such monopolies as these are surely optimistic. I could go down through the list: furniture, oil, milling, baking and a score of other businesses, and the story would be the same.

I wish those people who call us socialists would stop calling names for a little while and read history. They would then understand that it is not people like myself and those behind me who are bringing socialism to Canada; it is the unrelenting development of the economic means of production. I want to make it quite clear that we are socialists. We do not deny it, we are proud of it, and in the not too distant future we are going to be in a very large and worthy company. I have not the time to go into it to-night, but if we would give a little thought to what is happening in various parts of the world to-day we would realize that our hope of victory in this war is based to a large extent upon the building of socialism in the occupied countries of Europe. The united nations as a whole are not doing that and, consequently while we are winning the war in a military sense, we are losing it in a political sense. This does not come within the scope of this debate, but there is a story there that could be told.

We are told of the benefits that the world has derived from free enterprise over a period of years. No one denies that. But it is of no consequence now. What we are concerned about is what can it do for us to-day and what it is going to do for us to-morrow. If there were any further proof required of the correctness of the direction in which the C.C.F. is going, it is given by this bill which has been reluctantly brought into this house by a government which opposes its very principle.

When he was speaking the other day the hon. member for York-Sunbury (Mr. Hanson) said that the bill was semi-socialistic. Whether it is "semi" or more than that is not material; it is in that direction. The hon. member for York-Sunbury thought that since it did not go far enough this group would reject it. As I have said, we are socialists, but we are not the "socialism or nothing" variety some are accusing us of being. These same people, however, a few weeks ago were accusing us of not being socialists at all.

When I contemplate the accusations hurled at us in the debates that have taken place in this house during the past few weeks, I am reminded of a story the late Clarence Darrow, the famous criminal lawyer, tells on himself. He was going to debate the question, "Has life any meaning?" When he started to prepare for his talk he got his pad of paper, his pencil and he began to think. The first name that occurred to him was that of William Jennings Bryan, and he wrote, "No". I do not want to mention names, particularly when hon. members are not in the house, but when I think of some of the speeches made in this house I also am compelled to say, "No, life has no meaning".

We are told that the good old capitalist system has worked well down through the years. Possibly it has. The old Ford car worked pretty well when it was new, but eventually it became worn out. A brochure came to my desk the other day entitled, "The foundations of national well-being". The author is John L. McDougall, and there is something in it that I believe is of great significance. I do not agree altogether with Mr. McDougall, but facts are facts and when we meet them they must be recognized. On page 17 he gives the populations of the chief English-speaking countries, Great Britain, the United States, Canada and Australia in the years 1801, 1861 and 1931. Taking the United States and Canada we find that in 1801 the population of the United States was 5,300,000 in round figures, and that of Canada, 250,000. In 1861 the population of the United States had increased to 31,400,000 and that of Canada to 3,200,000. In 1931 the population of the United States had increased to 131,700,000 and that of Canada to 10,400,000. That was in the heyday of capitalism. Not only were we able to take care of the natural increase in population here, but we were taking people by the million from every part of Europe. The population of Europe itself was increasing during the same time. From 1801 to 1931 the population of Great Britain increased from 10,500,000 to 44,800,000, and the same thing was happening all over the world. On the American continent capitalism kept expanding by moving the frontier farther and farther west. When we filled up one area we moved our frontier farther west. But at the beginning of the twentieth century we had reached the end of the frontier and, from that time on, capitalism, instead of expanding, has been contracting. Population, instead of increasing rapidly, has been increasing very slowly, and in some parts of the world where it was increasing fast it has stopped growing altogether. These are facts the import of which we should try to understand. It is because there are no further outlets for new investments that capitalism, so-called free enterprise, has come to a standstill and can no longer feed, clothe and shelter the people, although there is an abundance of the wherewithal to do that. Let me tell my hon. friends opposite and my hon. friends to my right that these are the facts with which we are confronted, and our economic system must be so reorganized that we can produce and distribute for peace in the same manner as we produce and distribute for war.

I draw this to the attention of the house. When we were training our men for the armed services we found the money to give them all the training that was required. We found the money to give them all the clothing, all the food and all the tools and equipment—everything they needed. We did all that without any great difficulty because we had a national objective—the winning of the war. We can continue to do it so long as we have that common national objective. But the moment a man is let out of the armed services, then in greater or less degree his troubles begin. Surely it is as important that we should plan to clothe, shelter, train and educate a man for peace as it is to educate and train him for war. Why can we not do it? Because we are divided as to the way in which it can be done. We are divided as to the objectives to be attained. So long as we have contradictory objectives; so long as some persist in saying that the only way in which our economy can be carried on is to allow certain individuals to make a profit out of

feeding, clothing, housing and educating the rest, it will be difficult, yes, impossible to plan.

Let me, in conclusion, say something to those who are opposed to socialism and to the socialization of the means of production. We live by getting access to the means of production, to those things that produce food, clothing, shelter and the other things we must have in our everyday life. Which is the better way, to leave those things in the hands of a few irresponsible people, or to put them in the hands of those who are responsible to the people and to parliament? That is your choice and you have no other.

Mr. KUHL: Oh, yes, you have.

Mr. MacINNIS: My hon. friend says that we have, that you can leave the means of production in the hands of a few people and through the magic of money distribute goods and services to all the people.

Mr. KUHL: I want production, not the means.

Mr. MacINNIS: If you want production you must also have the means. The two must go together.

Mr. KUHL: No, I am sorry—

Mr. MacINNIS: I have not time to argue such silly questions.

Mr. KUHL: You cannot dispute it.

Mr. MacINNIS: I dispute it right now, but I have not the time to argue it. Make your own speech when I have finished. I say that if we have the control of the means of production no one can take away from us the fruits of our labour. The purchasing power of individuals as well as the purchasing power of nations are the goods and services that we produce. But if I work for B and he takes one-third of all I produce and gives me the other two-thirds, or if he takes two-thirds and leaves me but one-third, and does that with one hundred thousand people, then B will have more goods and services than he can consume. It may appear an easy way to issue money and buy those things from him. But let me tell you that when you create unrestricted plenty you have destroyed the profit system deader than a door-nail.

Just one other word. I would ask the opponents of socialism, which particular project among all those that have already been socialized would they like to turn back to private enterprise? Would they hand over the Canadian National Railways to the Canadian Pacific Railway? Would they hand over the Ontario hydro electric system to a private company? Would they hand over in any part of Canada anything that has been brought under public control? They certainly would not. Just to show hon. gentlemen that the trend is in the other direction, let me show what is taking place in a province that certainly is not socialistic, at least not yet, but it is on the way; do not forget it. I have an item here that appeared in the Montreal *Gazette* of February 26, 1944. It is the report of an interview by the Montreal board of trade with the government of Quebec protesting against its intention to expropriate the Montreal Light, Heat and Power Company. The board of trade statement quotes from the speech from the throne delivered at the opening of the Quebec legislature as follows:

> A thorough study of the distribution of electricity has demonstrated that reforms are urgently needed to provide the citizens of this province with electricity upon the favourable conditions offered elsewhere by state-owned enterprises. The setting up of a provincial hydro is the only solution for the problem of lower rates and rural electrification. You will be asked to pass an act for that purpose and the bill will provide, in particular, for the nationalization of the electric system and the distribution system which supplies the metropolis.

Well, are my hon. friends going to call Mr. Godbout a socialist?

Mr. TUCKER: He wants to take steps to prevent the electrical system in Quebec being taxed as it is now by the federal government. It is a private company.

Mr. MacINNIS: Yes, it is a private company.

Mr. TUCKER: And the Ontario hydro electric is not subject to taxation by the federal government.

Mr. MacINNIS: Does my hon. friend say that the Ontario hydro does not contribute as much, without taxation, as the Montreal Light, Heat and Power does with taxation? It pays the taxes in the lower rates provided.

Mr. TUCKER: That benefits Ontario. Mr. Godbout wants to get a similar benefit for the people of Quebec.

Mr. MacINNIS: And he can get the benefit only by nationalizing the Montreal Light, Heat and Power Company. That is the very point I want to make, and I am glad that at last it has dawned on my hon. friend. If he wishes to oppose public ownership, that is all right with me, but I would suggest that he

is on the losing side. However, public ownership in all phases of our industrial life is coming.

At the moment we are discussing the extension of public ownership to another section of our banking system. My hon. friend has given his approval. To-morrow and the to-morrows that are to follow will see more and more of these measures, and they will pass the House of Commons because there is only one alternative to their not passing. We cannot stop progress. We cannot stop expansion. If we try to stop progress we do so at the peril of a social explosion that may do the thing quicker than some of us might like to have it done.

Mr. A. G. SLAGHT (Parry Sound): Mr. Speaker, this bill and the principles it involves, as well as some of the details, require most minute examination by parliament. In my judgment their discussion involves, and is unalterably intertwined with the consideration which at this session parliament will be called upon to give to three other financial measures, namely the amendment of the Bank Act, the amendment of the Bank of Canada Act and the mutual aid bill, all of which are yet to be introduced.

Some features of this measure have caused me grave concern. I do not propose to discuss them to-night, but rise simply to say that when the bill is before the committee on banking and commerce, of which I am a member, I shall desire then to bring about the fullest discussion of those principles and details which, as the bill now stands, cause me concern. Therefore, having made that clear, so that there may be no misunderstanding as to my being a party to sending this measure forward, with second reading, to that committee, I shall have no further observations to make at the present time.

Mr. GORDON GRAYDON (Leader of the Opposition): Mr. Speaker, I have a few observations to make in connection with the second reading of the bill to establish the industrial development bank. Perhaps what I have to say will make some small contribution in connection with the discussion surrounding the establishment of this institution. So far as the bank is concerned, and the proposal to set it up, I believe we might as well first discuss the question of the government's position prior to the outbreak of war.

As has been described not only in this, but in other debates, with the failure of enterprise to function fully, the consequent lowering of national income coupled with a lowered degree of employment actually created a situation which governments in the past failed, I believe,

to meet. The solution then proposed was one only experimental in character. It was experimental because situations had not developed before to serve as illustrations which would help governments in solving the problem. Instead of reaching down to the root of the problem, that of maintaining a high level of national income and that measure of full employment so necessary for national prosperity, we adopted experimentally a different scheme altogether, namely that of putting people on relief and on the dole, or of attempting artificially to raise our level of employment by a scheme of public works and undertakings.

When war broke out, the whole picture was changed. As some hon. members have pointed out, and quite properly so, with the change of conditions from a peace-time to a war-time economy we found that with a great national objective in mind our nation was able within a short time to raise and to keep on raising our national income. That has been so to a point where we find it has now reached almost nine billions of dollars, and where with some very few exceptions we have attained a position of a high scale of employment. I must say, however, that in reaching a high scale of employment we must not forget that some 700,000 of our men and women are in uniform and are now outside the employment stream, so far as this nation is concerned. But when the war is over, it seems to me that if we expect to go forward and take our place among the nations of the world we cannot return to a system of public works of a palliative nature, nor shall or can this nation survive if it returns to a system of dole or relief. Those are issues which I believe are in the minds of Canadians generally.

There never was a time when there was a more vigorous determination that this nation shall have an expanding economy at the close of the war. What we have been able to master in the war-time period we must be able to master in the period of peace as well Having that definitely in mind, I think this particular measure to establish an industrial development bank, feeble perhaps as the attempt is, is commendable. I am not going to try to-night to justify all the provisions of the bill which is before us. I have heard, as the house has heard, many powerful criticisms of the bill; nevertheless, we have to make some change in connection with our economy for the peace-time period and the period of transition.

I submit, therefore, that it is the bounden duty of hon. members to support the principle of the bill at least for the purpose of having it referred to the banking and commerce committee so that a close scrutiny of the whole

problem may be made there with the help of the evidence that will be called. Moreover, as regards the industrial development bank, however necessary it may be to strengthen its provisions, I think it may be said that if the principle of the bill is to be opposed, then we as an opposition and as members of the house generally, if we say to the government in a war-time period that we do not like the provisions of the bill, have the responsibility of indicating some alternatives to the measure. That is the patriotic, the proper view to take of the bill.

I find great difficulty, members of the government are finding great difficulty, and members to my left are finding great difficulty in subscribing to many of the provisions of the bill; but fortunately the government has undertaken to have it referred to the standing committee on banking and commerce. There, I hope, many of the principles involved in the bill, many of its provisions, will be gone into thoroughly so that the bill may emerge from the committee much stronger and more powerful than it appears to be on second reading.

I say to the government and to the parliamentary assistant who is piloting this piece of legislation, that one of the things that disturb me a little in connection with the bill is the idea of too much duplication of banking arrangements and banking facilities in Canada. Frankly, I realize that perhaps the chartered banks of the country are not able to loan on long terms; nevertheless, as regards our intermediary credit, and as far as long-term credit is concerned, for the purposes which the bill contemplates, it seems to me that this suggestion at least may be offered. I do not, like some of our hon. friends in various parts of the house, pose as a financial expert. I speak strictly as a layman.

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

Mr. GRAYDON: If the minister of pensions is going to take part in the debate I hope that he will be modest enough to acknowledge himself also a layman in this matter, though I have heard him in previous sessions when he has posed as a little better than that.

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

Mr. GRAYDON: With respect to the credit situation, I would like the banking and commerce committee to consider the possibility if it can be done, of utilizing the banking institutions we have from the point of view of government guarantees under arrangements similar to those in connection with the National Housing Act and the home improvement legislation, on a widening and more comprehensive scale. That may not be feasible; perhaps it is not the proper solution; but at least I suggest that before we embark upon a wholesale scheme of duplication we should give this point careful consideration. We see the possibility of the establishment of branches all over Canada, and before costly duplication is undertaken we should consider carefully whether, by way of government guarantees or in some other way, a plan for utilizing the facilities now available might not be properly and practicably worked out in the interests of greater credit.

I support the bill as far as its principle is concerned, in the meantime. The banking and commerce committee will have an opportunity of dealing with such matters as I have suggested, with respect to full employment, maximum production and a high level of national income. Where private enterprise, or free enterprise if you will, fails to provide that full employment, that expanding production and high national income, then in our opinion the state must underwrite this nation's prosperity; and in so far as the bill tends to that end we are in support of the principle. It is unthinkable that we should reach the transition period from war to peace, and then the period of peace itself, without having some agency that will be able to pump into our financial, industrial and economic structure new life so that the stream may go on when unemployment will no longer be known.

There are people who say that this is a bad-debt bank. Well, I would not be at all surprised if there were many bad debts as far as this bank is concerned; but while, in my opinion, bad debts must be kept to the very minimum and care must be exercised in connection with the whole lending structure of the bank, I suggest that bad debts are not nearly as important a consideration to the nation as keeping our people all at work at good wages and under proper working conditions. We have gone a long way in our progressive thought along the whole economic front.

In connection with the various matters that have been brought before the house to-night and throughout the course of the debate, we have heard a good deal about monetary reform, and in connection with all those questions that have to do with banking and money there have come proposals from various quarters in the house. This nation has done an excellent job in demonstrating that we can reach a position of maximum production. The problem in this country to-day is not

production. That, I think, is agreed. Hon. members on all sides of the house have said that. I agree with them. We have mastered the problem of production but, as some hon. members who have preceded me have said, and quite properly so, our problem is not production. Our problem in the future will not be production.

The first thing we have to do is to recognize that there is a bottle-neck between the producer and the consumer. If that bottle-neck is found to be a monetary bottle-neck, then let us be at least frank enough and honest enough with ourselves and with the nation to recognize that problem, and if it has to be solved, then let us not hesitate to have the courage to deal with it, regardless of what traditions may have meant to any of us in the past. Therefore I say to you to-night, Mr. Speaker, that I think it is very important, when the banking and commerce committee meets, that we shall not be so hidebound in our ideas of the past that we shall not give close study to the various solutions which may come from any quarter with respect to the eradication of the bottle-neck which prevents a better distribution of the maximum production of which this country is capable.

I wish to say to the government and to you, Mr. Speaker, that in so far as the new industrial development bank is concerned, as was pointed out by the hon. member for Vancouver South (Mr. Green), it must not be a political bank. It can be a bank which would be of great advantage to the country if it were properly managed to provide credit facilities made readily obtainable in those parts of Canada which by virtue of the economic and political set-up of the country have not always had a fair deal in industry.

I was glad to see the hon. member for Royal (Mr. Brooks) rise in his place and dicuss the question of the maritime provinces. I have been in the maritimes on various occasions in recent years. I do not think anyone can go to the maritime provinces, even as a layman not making a survey, without realizing that there is a job to be done as far as extending the benefits of confederation are concerned to those three great provinces on the eastern seaboard. The job that has to be done may be done partly at least by the extension of credit facilities by a bank such as this or some other kind of institution to make sure that they stand on an equal footing industrially with the rest of Canada. That is all they ask. They ask for no special privileges. They ask for equal rights with the rest of Canada. That applies to the prairie provinces and to British Columbia as well. It also applies to other parts of Canada, but I wish to mention specially at this time the maritime provinces and to emphasize the point which has been raised.

An equally important matter comes up in connection with the bank, namely, the movement toward the centralization of industry generally. It is not always a good thing. But decentralization of industry and a proper plan in that direction, if worked out economically on a properly organized basis across Canada, would inject new life into places where there has been no industrial life for many years. It would make for a more balanced economy and a greater Canada for all of us. I am hopeful that this industrial development bank will use its lending powers and its credit facilities in order that that laudable objective may be advanced and subsequently reached.

One of the unfortunate things with respect to this proposed bank, as the member for Lake Centre (Mr. Diefenbaker) pointed out this afternoon, is that the government has not submitted to the country or to parliament any plan or any scheme by which the bank may work. There is no use in setting up a bank unless the government has a plan by which those credit facilities can be operated. The whole matter of credit facilities, how they are to be given, where the need lies, must, I think, be the subject of a survey and of a plan. But so far this government has failed to disclose that plan to parliament or to the people. If I may say so, this bill indicates that the cart has been placed before the horse. It is unfortunate that before those credit facilities are to be given to the people of Canada the plan under which the whole matter will be dealt with has not been laid before the house. We should know whether the bank is established for the purpose of financing the great number of crown companies which the war has brought into being. We should have information with respect to the whole question of the War Assets Corporation with which this bank will have something to do. We should know something with respect to the corporation that is set up to handle war assets. We should know what we have as assets in that corporation. As I pointed out in my remarks on the address in reply to the speech from the throne, there is a great need for a judicial inquiry with respect to the whole matter of the War Assets Corporation. Before the assets are distributed, before the credit facilities under this act are set up, I think we as a nation should know what we have in the way of assets, because they do not belong to the government, they belong to the people as a whole. The people have put up their money and they have a right to know what they have.

Therefore I say to the government again, as has been said by hon. members on this side of the whole plan of our transition period in the post-war period is one which is overdue and embarrasses us in dealing with the matter of the industrial development bank.

Taxation, of course, has siphoned off a great deal of the resources which companies and others would require in the post-war period. We cannot at any time find fault with taxes when a war has to be won, and I have no desire to do so to-night; but I wish to say that because of the taxation there is the necessity of pumping more credit, the giving of more credit facilities to those who have to carry through in the reconstruction period. This bank, or something that will arise out of the skeleton which this bill actually proposes, is essential at this time if we are to go forward as a nation in the peace-time period. I am hopeful that the bank will go much farther than is envisaged at the present time. We talk about the little man and the little enterprises. In the reconstruction period the little man must again be brought into his own. I am not going to find any special fault with the government or with the boards, although I could do so if I desired, with regard to the concentrating into a few hands in war time of much of the business that was previously in many hands. In many quarters it may be argued that that was inevitable because of the war in which we are engaged; but if it were inevitable in a war-time period then we must see to it, whether by this method of legislation, the setting up of this bank, or in some other way, that decentralization must take place in the future, that the little man who gave up his rights in business and industry in time of war must have an opportunity after the war is over to come back and not be penalized because of the sacrifices he made for a more vigorous national effort during the war.

It has been pointed out that $100,000,000 is a very small amount. A few major loans would, of course, use up the whole amount, and I am hopeful that the minister will give the little man the first chance. After all, the big man may be able to champion himself, but it is our job in parliament specially to champion the little fellow, and unless we are prepared to do that we shall not be living up to the duties and obligations that rest upon public men at this time.

Therefore, in closing, in order that the debate may be concluded this evening, I wish to emphasize what was said earlier by the hon. member for Vancouver South (Mr. Green). That is, I believe the government is making one serious mistake with regard to this measure. If we really mean what we say about bringing labour into full partnership with management in this country, surely labour should have a voice in regard to credit facilities, which perhaps mean more to labour than to any other branch of our national economy. Agriculture will be dealt with in the bill which the parliamentary assistant has mentioned, so that I need not touch upon that at this time. As far as labour is concerned, however, too often this government and this house have simply brushed aside the rights of labour, with the idea that it is some sort of commodity and must be treated as such. In the days that lie ahead labour is going to come into its own, as it deserves, but that cannot be done without proper labour representation. Labour has done a great job in the war effort, but the whole direction of the great empire of the munitions and supply department has been carried on with scarcely a whisper of representation from labour. Let us not start out in the peace-time period as we did in the war, leaving labour to one side. Let this bank have on its board of directors some labour representation, and not a token representation either. That will not be good enough for labour. If we expect labour to be a partner in our national enterprise in peace, as it has been in war, let us not be niggardly in dealing with that great section of our people who will be so essential to the national development in the days that lie ahead.

I should like to have had an opportunity to develop some of the other points I have in mind in connection with this bank. As a party we are supporting the principle of this measure in order that it may go to the banking and commerce committee, but we hope—and we trust that our hope may not be unfounded—that when it emerges from that committee it will be a stronger and more beneficial instrument by which we may attain the objectives of full employment, expanding production and a high level of national income in the days that lie ahead.

Mr. KNOWLES: I believe there are one or two others who would like to speak, and I understand the parliamentary assistant to the Minister of Finance wishes an opportunity to close the debate. Therefore I move the adjournment of the debate.

Motion agreed to and debate adjourned.

On motion of Mr. Mackenzie (Vancouver Centre) the house adjourned at 10.55 p.m.

Monday, March 13, 1944

The house met at three o'clock.

PRIVILEGE—MR. LEADER

REFERENCE TO ARTICLE IN WINNIPEG "FREE PRESS" OF MARCH 10, 1944

Mr. HARRY LEADER (Portage la Prairie): Mr. Speaker, I rise to a question of privilege. A speech which I made in the house a few weeks ago was discussed in the Manitoba legislature and a report was published in the Winnipeg *Free Press* in its Friday's issue, which casts reflections on myself. I should like to read the paragraph in question:

"The record should be kept straight in fairness to all members of the medical profession," Mr. McLenaghen declared, after reading some correspondence on the matter.

The Hon. J. O. McLenaghen, Attorney General of the province of Manitoba, was making the statement as Minister of Health. The report goes on:

"When a layman—

Meaning myself.

—presumes to make statements concerning a matter of scientific research, of which he has no knowledge, he is assuming a great onus," Mr. McLenaghen told the house.

"A great onus rests on a public man, who makes statements and blazons them to the world. Irreparable harm can be done unless all the facts are known. Such statements could be damaging unless based on facts, creating in the minds of cancer sufferers falsehoods based on scientific experiments which have not stood the test of time," declared Mr. McLenaghen.

I just wish to say, Mr. Speaker, that the remarks which I made in the house on February 7 last were based on facts substantiated by medical authority, and the reflection which I made upon medical gentlemen in Winnipeg was based on facts I had from men who should know. I had no other object in view as a cancer patient but to give something to the world that might help others as Doctor Davidson has helped me.

LABOUR CONDITIONS

WARTIME WAGES CONTROL—AMENDMENTS TO ORDER IN COUNCIL P.C. 9384

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I wish to make a statement to the house with respect to amendments to the wartime wages control order, P.C. 9384, of December 9, 1943.

[Mr. Knowles.]

On February 10, I informed hon. members that it was the intention of the government, after receiving representations from the leading labour organizations, and considering all other representations, to make amendments to the wartime wages control order, (P.C. 9384 of December 9, 1943). I now table a copy of order in council P.C. 1727 which embodies the amendments. It was enacted today.

The amendments seek to meet the criticisms of the original order, as far as is consistent with the maintenance of the government's policy of preventing inflation.

Under the order as amended, the provision for enlarging the national war labour board has been removed and provision is once more made for a three-man board, with one member representative of the point of view of labour and one of the point of view of employers.

The national war labour board will retain the right to review and revise decisions of the nine regional war labour boards in order to secure uniformity and consistent administration across Canada. However, the national board shall not vary decisions of a regional board without giving notice to interested parties who, before changes are made, will have the right to make representations to the board.

An amendment revokes the provision placing the onus of proof of compliance with the regulations, upon the employer or employee charged with an offence under the order.

The national and regional war labour boards retain authority to authorize wage increases in cases where special circumstances exist. The limitation in the original order, which permitted wage increases only within the ability of the employer to pay without price increases, has been modified. Under the amended order, a greater latitude will be permitted for adjustment of certain wage rates.

I would not be frank with hon. members or with labour if I did not say that in making these amendments to the order, the government recognizes the risks involved in relation to the whole stabilization policy.

No part of the community has more to gain from continuing success in the battle against inflation than labour, or more to lose by failure to prevent inflation. The government realizes that the fight against inflation can be won only if all groups in the community are prepared to give their active support and cooperation to the price ceiling policy.

If the government's policy of price stabilization is to be effectively maintained, it is clear that employers and labour organizations must

cooperate in supporting this policy by limiting applications for wage increases to what should be a relatively small number of cases where special circumstances apply.

The government is not prepared to adopt a policy of paying subsidies to employers to meet the higher costs resulting from increased wage rates. An attempt to follow this course would soon break down because of the administrative difficulties involved. Similarly, the granting of price increases to offset increased wage rates, if the cases involved were to reach any considerable number, would confront the wartime prices and trade board with an impossible task, and would destroy the price ceiling.

In December last, when I announced the principles underlying the wartime wages control order, I said:

> The policy of the government is that all practical measures will be taken to keep the cost of living at present levels.

I went on to say:

> If the cost of living rises more than three per cent and remains at that level for two consecutive months, the government will review the whole programme of price control and wage control and take appropriate action.

The government will endeavour to keep the cost of living from rising more than the three per cent mentioned. We shall stand by the pledge that if the cost of living exceeds the level of October, 1943, by more than three per cent and remains at such higher figure for two consecutive months, the government will review the whole programme. I must emphasize, however, that if, under the amended order, the cases of wage adjustments which result in increases in the cost of goods and services should prove to be too numerous, the margin of three per cent would soon be exhausted. The government would then be faced with the unfortunate task of having to review, and to consider the practicability of continuing, the whole stabilization policy.

Let me repeat: the government is determined to do all it can to hold down the cost of living, and to safeguard the public against an inflationary rise in prices. In this it cannot, however, succeed without the support of every group in the community.

[*Later*]:

On the orders of the day:

Mr. A. W. NEILL (Comox-Alberni): Mr. Speaker, I should like to ask a question of the Prime Minister in connection with the orders in council he has tabled, either substituting for or amending the wage control orders. I would ask that they be printed and made available to members in quantity. I have over three thousand letters concerning the matter, and while I do not propose to answer them all, they are entitled to some consideration. I suggest further that it would help if he would have his remarks to-day on the subject of these orders in council printed separately, because that would explain the situation fully.

Mr. MACKENZIE KING: I imagine the Minister of Labour has already anticipated my hon. friend's request, and is having copies of the order in council printed. He will be prepared to supply hon. members with such copies as they may wish to have.

Mr. NEILL: And the Prime Minister's remarks?

Mr. MACKENZIE KING: Perhaps the minister would do me the honour of including my remarks too.

Mr. NEILL: Your remarks too?

Mr. MACKENZIE KING: I have just asked if he would include the statement I have made, and I understand he will.

WARTIME LABOUR REGULATION, P.C. 1003

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 regard to war-time labour regulation P.C. 1003. Does this proposal apply to professional engineers, mining engineers, architects or professional chemists? If it does, I would ask if it is the intention of the government to withdraw them from its application.

Hon. HUMPHREY MITCHELL (Minister of Labour): Mr. Speaker, while I should not like to anticipate the functions of the wartime labour relations board, set up under the authority of the order in council, and while I should not like to interpret those functions, I would say to my hon. friend that this is still a free country—

Mr. HANSON (York-Sunbury): Quite so.

Mr. MITCHELL: And if hon. members of this House of Commons—

Mr. HOMUTH: Don't be too sure of that, now.

Mr. MITCHELL: If hon. members in their judgment wish to form a trade union, I guess they could apply to the wartime labour relations board, as a trade union, to settle their differences.

Mr. DIEFENBAKER: Is that the best answer I can get?

ALCOHOLIC BEVERAGES

REMOVAL OF FEDERAL RESTRICTION ON SUPPLIES OF BEER TO PROVINCES

Right Hon. W. L. MACKENZIE KING (Prime Minister): I have another statement, Mr. Speaker, which I should like to make to the house. It has to do with restrictions upon the sale of beer.

On December 16, 1942, the government, by an order in council known as the wartime alcoholic beverages order, limited the quantity of spirits, wine and beer to be released for sale in the period from November 1, 1942, to October 31, 1943, to 70, 80 and 90 per cent respectively of the quantity released in the previous twelve months. The period of this limitation was subsequently extended for the duration of the war.

The restrictions upon the quantity of alcoholic beverages to be released for sale, were in accordance with the government's policy, to effect, if possible, a total war effort. They were in response to an informed public opinion, and to a widespread public demand for some measure of restriction. It had become evident throughout 1942, and even earlier, that increased production and excessive consumption of alcoholic beverages at a time of war could not but impair the effectiveness of the country's war effort.

In the first three years of war, the consumption of alcoholic beverages had increased enormously. Over the same period, restrictions had been increasingly imposed upon the use of many commodities, including not a few of the necessities of life. Restrictions had also been placed upon the use of gasoline and upon travel abroad as well as at home. Moreover, the country, by the close of 1942, had reached practically the peak of shortages both of man-power and materials. The government was making every effort to divert men and resources from non-essential activities of all kinds. This policy had already affected the production of alcoholic beverages. The entire distilling capacity of the country had been converted to the manufacture of industrial alcohol for war purposes. The production of wine had been limited by the rationing of sugar. The production of beer had been restricted by a limitation in the supply of malt.

The wartime alcoholic beverages order did not, therefore, actually greatly increase the restrictions on the supply of alcoholic beverages. The basic limitation was, in fact, the result of war-time demands for man-power and materials for essential war needs. The restrictions did provide for an orderly and equitable distribution of the available supplies among the several provinces in exact proportion to the quantities released for sale in each province in the preceding year.

I wish to emphasize the fact that, with respect to alcoholic beverages, the federal limitations apply only to the quantities released for sale to each of the provinces. The retail sale and distribution of alcoholic beverages is left entirely to the provincial authorities.

It was clear from the outset that the war-time alcoholic beverages order, like other war-time restrictions would be effective only if the necessary cooperation and support was forthcoming on the part of the several provinces of the dominion. It was for this reason that at the time the order was enacted, I took care to explain in a public address the relations of the dominion and provincial governments with respect to the production and sale of alcoholic beverages, and to make a special appeal to the provinces to lend their cooperation. This I did in the following words:

> The federal government has to do with their (i.e. alcoholic beverages) production and importation; the provincial governments with their sale and distribution. In other words, while the dominion government is in a position to control the quantities of spirits, wine and beer to be released for consumption, the regulation of the retail sales of alcoholic beverages is a matter which is determined by each province according to its judgment. . . .
>
> An examination of existing war-time needs now makes it necessary for the federal government, in addition to the measures I have announced, to appeal to the provinces for their cooperation in further restricting the sale of alcoholic beverages.

In the case of most of the provinces there has been a gratifying effort to cooperate. There has been notwithstanding, much misrepresentation throughout the dominion of the government's purpose, and, as time has gone on less and less has been said about the reasons for and the limited scope of the restrictions themselves.

Within the past few days a situation has arisen in relation to two of the provinces which is so far removed from cooperation on the part of their governments that it is certain to give rise to an issue between the federal and provincial authorities. If not promptly prevented, any such issue cannot fail to create continuous friction between some of the provincial governments and the federal government, and antagonisms between one section of the country and another.

In Ontario, on the authority of the liquor control board, notices have been posted in establishments where alcoholic beverages are sold, which read as follows:

Notice: The quantity of alcoholic beverages saleable at this sales outlet is restricted by reason of order in council No. 11374 passed by the federal government Dec. 16, 1942.—This notice is posted on authority of the Liquor Control Board of Ontario.

There is no indication in these notices that the action of the federal government was a war measure, enacted to increase the country's total war effort. No account is taken or mention made of the fact that the production and consumption of alcoholic beverages in 1942 had reached the highest level in Canada's history. Instead, the poster is designed to have it appear that, in the opinion of the government of Ontario, the action of the federal government is arbitrary, unfair and unnecessary.

Since the enactment of the dominion war-time alcoholic beverages order, there has during the year been released for sale in each province of Canada, ninety per cent of the beer which was released for sale in the twelve months ended October 31, 1942. Over the whole country, this amount was some sixty per cent in excess of that which had been released for sale in the year prior to the outbreak of war. To-day the beverage rooms of Ontario, where the notices of the Ontario Liquor Control Board are posted, are not being allocated 90 per cent by the board. Instead, they are being allotted only 75 per cent. It is true that the quantity saleable in the province has been restricted by the dominion order in council, but it was not restricted by 25 per cent. That restriction on the beverage rooms was imposed by the liquor control board of Ontario.

The board's action has the approval of the government of Ontario. It was defended by the Attorney General of Ontario in the Ontario legislature on the 8th of this month. The posting of the notices certainly misrepresents the action of the federal government. It is clearly an attempt to have the federal government held responsible for the whole twenty-five per cent reduction.

On the day before (March 7), in the Alberta legislature, the provincial treasurer is reported to have stated that "some of the eastern provinces were tipped off" to the wartime alcoholic beverages order of 1942, and that the dominion government "fixed the base year to give the greatest advantage to Quebec".

The Minister of National Revenue has completely denied this statement in the following words:

> Such a statement is entirely without foundation and untrue and not one that would normally be expected to be made by a responsible minister of the crown.

While Mr. Low complains of the quota allowed to his province, it might be pointed out that in the year ending October 31, 1943, the province of Alberta failed to take up its full allotment, and was short 9,945·6 proof gallons of spirits to which the province was entitled.

If effect is to be given its war-time policies, the federal government must necessarily rely upon the cooperation of the provincial governments. This, as I have pointed out, is particularly true of war-time restrictions upon the supply of alcoholic beverages. Despite the fact that the supply is affected by shortages of essential materials and man-power, and the further fact that the federal restriction is merely a restriction upon the quantities released to each province, the public has been increasingly led to believe that the supply available for consumption, and any difficulties of distribution, are due solely to action on the part of the federal government.

In the case of spirits and wine, the reasons for the limitation of supplies are, I believe, generally understood and generally accepted. The misrepresentations and the controversies which have arisen have to do largely with the restriction upon the supply of beer.

In the case of beer, the supply is limited by shortages of malt, of bottles, of cartons and of man-power, which are likely to continue as long as the war lasts. Apart altogether from the 10 per cent reduction imposed by the war-time alcoholic beverages order, the shortages of themselves would prevent any very considerable increase in supply. No right thinking person would advocate the diversion of scarce materials or man-power from any essential war-time or civilian activity to the production of beer.

At this time of war, it is especially true that a first duty of the federal government is to see that no differences which can be prevented are allowed to interfere with the cooperation and understanding so necessary between the federal and provincial governments. In the interests of the war effort, sources of public misunderstanding and friction, where they exist, should be removed in so far as that may be possible.

The provinces, under their power to regulate the distribution and sale of beer can effectively limit the amount to be distributed and sold, and this quite apart from any federal restriction as to the amount to be released for sale. Where it is clear that causes other than federal action are restricting the supply of beer, maintenance by the federal authorities, of the 10 per cent reduction upon the 1942 output of this single commodity is not sufficiently important to the war effort to justify the risk of continuous misunderstanding and friction between the fed-

eral and provincial governments and of antagonisms between provinces. In these circumstances, it is obviously preferable that the distribution and sale of such supply of beer as there may be, should be left to the exclusive control of the provinces themselves.

The government has therefore decided to remove the restriction of ten per cent upon the supply of beer which may be released for sale to the provinces, and the wartime alcoholic beverages order has to-day, been amended accordingly.

In leaving to the provinces the exclusive responsibility for the amount of beer to be distributed and sold, the federal government is not departing from its view that a restriction of the production and consumption of alcoholic beverages is necessary to a total war effort. In all particulars, except the one mentioned, the wartime alcoholic beverages order will remain as it is.

As respects the retail distribution and sale of beer, each province is now freed from any federal restriction as to quantity of beer to be released for sale within its borders. The provinces will have the sole responsibility to make whatever arrangements each considers necessary and desirable to ensure an equitable distribution and to prevent any excesses.

Mr. Speaker, I now table copies of the order in council which was passed to-day.

Mr. HOMUTH: I rise to a point of order, Mr. Speaker, and also to ask you a question for information. Is the statement just made by the Prime Minister debatable at this time?

Mr. SPEAKER: No.

Mr. HOMUTH: Then I want to register my regret at the fact that the Prime Minister has made a right-about-face on a matter that is of concern to the whole Dominion of Canada without giving us an opportunity to debate it.

Mr. BLACKMORE: Mr. Speaker, in justice to the province of Alberta—

Some hon. MEMBERS: Order.

Mr. BLACKMORE: May I be allowed to say, Mr. Speaker, that the Prime Minister's remarks do not represent the whole of the truth.

NATIONAL HEALTH

REPORT ON SURVEY MADE BY MEDICAL PROCUREMENT AND ASSIGNMENT BOARD

Hon. J. L. RALSTON (Minister of National Defence): I desire to lay on the table the report on the national health survey conducted by the Canadian Medical Procurement and Assignment Board. Since the report is, I think, of special importance and is very voluminous, I wish to make a comment or two upon it.

The board was established on the 20th July, 1942, by P.C. 6185, and later its activities were extended to the dental and nursing services by P.C. 10360 of 17th November, 1942, and P.C. 10394 of 1st December, 1942. The board consisted of five members of the Canadian Medical Advisory Committee (appointed by the Canadian Medical Association), the Director of Medical Services of the Department of Pensions and National Health, the Medical Director of National War Services, a representative of the Director of National Selective Service and the heads of the three medical services of navy, army and air and the directors of dental services. Among the functions of the board were:

(a) to make a survey and allocate as a result of information obtained medical officers in the proper proportions for appointment to the three branches of the armed forces of Canada;

(b) to consider carefully in relation to the available supply of physicians for appointment to the armed forces, the requirements of civilian institutions, public health departments, medical schools, war industries and communities in order that there shall be no impairment of essential public health services;

(c) to undertake the responsibility for investigating conditions at first hand regarding civilian needs and the possibility of making such arrangements as are possible and expedient where there is an apparent conflict between military and civilian needs.

The board has been functioning for considerably over a year and a half. Under its auspices a complete study of the entire health services of Canada has been made, involving physicians, dentists, nurses, public health, medical research and industry. Every community in Canada has been investigated. To do this work, voluntary assistance was procured from all the provincial medical societies, the Canadian Dental Association, the Canadian Nurses Association, the Canadian Hospital Council, the deans of the nine medical schools, the Dominion Council of Health and the divisional advisory committees of the Canadian medical procurement and assignment board.

Each individual group carried out a survey of its special field. Twelve medical officers were loaned from the three armed services to act as field secretaries to these groups. In addition, the board had the active cooperation of the provincial departments of public health, the Department of Pensions and National

Health, the Department of Labour, the Department of National War Services and the three branches of the armed services.

These groups have been equally industrious in studying the needs of civilians as well as of the armed forces for medical man-power and woman-power. As a result of this study they have put into practical form a series of reports which give in detail a picture of the situation in Canada from the Atlantic to the Pacific. And at the same time they have made that survey constructive in a series of practical recommendations respecting every feature of their work.

The reports consist of nine parts, each in a different volume and on a different subject. The tenth volume is a resume of recommendations. Each of the nine subjects was dealt with by a separate group and these reports were put together by the board at Ottawa.

Part 1—Introduction.
Part 2—Civilian Medical Man-power—Medical Advisory Committees.
Part 3—Medical Schools—Association of Medical Colleges of Canada.
Part 4—Public Health—Dr. J. J. Heagerty.
Part 5—Hospital Personnel and Facilities—Dr. Harvey Agnew.
Part 6—Industrial Medicine—Dr. J. G. Cunningham.
Part 7—War Medical Man-power—Dr. A. E. Archer.
Part 8—Nurses—Miss K. W. Ellis.
Part 9—Dental Services—Dr. D. W. Gullett.
Part 10—Recommendations.

These ten volumes which I am tabling are necessarily voluminous. They contain about 350,000 words in all. Along with these reports I am tabling a summary prepared by the general secretary which I hope may be of assistance to the members of the house, the press, and the public. As the secretary indicates, the report is so detailed in its factual findings that really to summarize it would be an almost impossible task. And the summary therefore does not purport to be exhaustive; it simply brings attention to some of the salient points in the actual report.

Let me say that the report is not by any means in all respects complimentary. And I would ask that members take the trouble and time if they can possibly do so to read the report itself and not limit themselves to the summary alone.

One result of this really monumental effort was that every community, rural and urban, was surveyed in order to determine the present degree of medical care existing there. This revealed among other things details regarding the physicians, including numbers, location, nature of their work, population they are serving, availability for both civilian and military service, and existing surpluses and deficiencies.

Records have been established and a card index system set up making available for permanent use detailed information of Canada's civilian medical man-power such as has never been assembled before. These records are being kept up to date by the board.

For example, they show that in March, 1943, Canada's medical population totalled 12,235. Of this number 3,006 or about one-quarter, were in the armed forces. Of the remaining 9,229 physicians, 8,614 were practising, while 615 were retired. (As of March 1, 1944, there were 3,589 doctors in military service.)

With reference to medical schools: The report reveals that although the staffs of full time instructors at such schools have declined by 18·5 per cent since 1939; nevertheless, an accelerated curriculum which has practically abolished holidays, has resulted in a great increase in the number of graduates.

In pre-war years these schools graduated an average of 491 students annually. From 1940 to 1944, this average has been stepped up to 630, an increase of nearly 30 per cent.

The report also shows the distribution of hospitals and devotes considerable attention to the post-war hospitalization needs of Canada.

This section of the report has particular reference to the matter of how any proposed health insurance plan might affect the hospital problem.

An examination of the report further discloses the type of health supervision which is being provided in industries and the need for an extension of such health facilities.

An interesting fact revealed by the report is that Canada has 52,483 registered nurses. Of these, more than half are not engaged in nursing, nearly all of them being housewives. Of the balance of 27,574, 8,306 have expressed a willingness to enlist, but there is a waiting list of 3,741 nurses who are not at present needed by the armed services.

I think it can be confidently said that no other country in the world has had the benefit of a more complete or exhaustive study of its national health situation. It is of inestimable value not only now but for the future. Canada is greatly indebted to all the organizations and individuals I have mentioned, who have voluntarily given of their time and energy to carry out this most important undertaking.

And to all those who have participated in this major piece of useful national service, I wish to express sincere appreciation. The wealth of assistance has been contributed by hundreds, and probably thousands, of persons in the production of these reports. Rather than try to enumerate them in any number, I shall mention only one man, and his work can be said to be representative of the conscientious industry, the ample capacity, and the high devotion which has characterized the labour of all who have taken part. I refer to Doctor T. C. Routley, who has borne with outstanding ability the double load of secretary of the Canadian Medical association and general secretary of the Canadian medical procurement and assignment board.

The benefit of the effort of all these men and women will reach far beyond the realm of the armed forces to the wider field of maintaining and improving the health of citizens throughout this Dominion. It goes without saying that health is fundamental and indeed indispensable to our prosperity as individuals and to our progress as a nation. I have made arrangements to have the report and the summary printed so that copies may be available to members of the house.

Mr. ADAMSON: May I ask the minister a question? Does the report cover mental hygiene as well?

Mr. RALSTON: I cannot tell my hon. friend what part of the report covers that subject, but it is covered.

[*Later.*]

Mr. RALSTON: Mr. Speaker, with unanimous consent of the house I would ask that we revert to the orders of the day, so that I may place on *Hansard* an answer to a question asked by the hon. member for Parkdale on Thursday, March 9. This question has to do with the Canadian medical procurement and assignment board, to which I referred this afternoon.

Mr. SPEAKER: By unanimous consent we revert to orders of the day.

Mr. RALSTON: The question asked by the hon. member was with respect to the supplying of physicians from the armed forces to communities in certain special cases. I wish to say that the matter has been under intensive consideration by the Canadian medical procurement and assignment board and by the three services, the Department of Pensions and National Health and the national selective service branch of the Department of Labour.

As a result of this examination, on March 2 the Canadian medical procurement and assignment board wrote to the premier of each province, with certain suggestions for a plan to help meet civilian requirements for medical personnel in communities where requirements were specially urgent. For the reason that the matter was one which involved consultation and agreement with the provinces, it was not intended that any public announcement should be made until the provinces had had an opportunity to examine the plan.

However, some publicity has already been given and, because of this and to prevent misconceptions regarding what is being worked out, I consider it necessary to make a brief statement now:

On account of the requirements for medical personnel in connection with war activities, there was need for study of the requirements, both of the armed services and of communities, in order to endeavour to make the most of the available medical personnel. This study has been made by the Canadian medical procurement and assignment board.

The board, as I said this afternoon, was established on the 20th July, 1942, by P.C. 6185, and later its activities were extended to the dental and nursing services by P.C. 10360 of 17th November, 1942, and P.C. 10934 of 1st December, 1942. The board consisted of five members of the Canadian medical advisory committee (appointed by the Canadian Medical Association), the director of medical services of the Department of Pensions and National Health, the medical director of the Department of National War Services, a representative of the director of national selective service and the heads of the three medical services of navy, army and air, and the directors of dental service.

Among the functions of the board were:

(a) to make a survey and allocate as a result of information obtained medical officers in the proper proportions for appointment to the three branches of the armed forces of Canada;

(b) to consider carefully in relation to the available supply of physicians for appointment to the armed forces the requirements of civilian institutions, public health departments, medical schools, war industries and communities in order that there shall be no impairment of essential public health services;

(c) to undertake the responsibility for investigating conditions at first hand regarding

civilian needs and the possibility of making such arrangements as are possible and expedient where there is an apparent conflict between military and civilian needs.

In certain cases the needs of communities have become extremely urgent and some method was sought whereby consideration could be given to these exceptional cases. A plan has been evolved, with the objective of making available, on terms to be arranged with the provinces, a limited number of medical personnel to civilian communities, whose needs for medical services may be very exceptional and urgent.

The basis of the plan is:—

(a) That the provinces request the furnishing of medical personnel in particular communities where it is alleged that there is urgent need;

(b) That the need is established through the advice of the Canadian medical procurement and assignment board—this board being advised by its local advisory committee in the province;

(c) That the province, by arrangement with the municipality or otherwise, will reimburse the receiver general on the basis of pay and allowances actually paid to the medical officer and with provision for any other expenses which may be specified;

(d) That medical personnel be allotted from one of the armed services for the purpose of supplying, under the arrangement indicated, the medical personnel, the need for whom has been so established;

(e) The armed services plan to replace the medical personnel so provided to civilian communities by admitting into the armed services younger qualified doctors who have previously been rejected because they were in some of the lower medical categories. It is proposed also to use in the armed services in Canada a larger number of doctors within the call-up age group who have previously been deferred or rejected. An endeavour will be made to obtain these medical men in communities from which they can be spared, as advised by the Canadian medical procurement and assignment board.

I should make it perfectly clear that this does not mean that there is any surplus of medical officers in the armed services. I need not say that, if there is any surplus, it will be utilized for the purposes indicated. But at the present, and with the prospective requirements of this year, it cannot be hoped that the armed forces can supply these medical personnel without having them replaced. However, with the doctors who are coming into the services as they graduate, together with the calling up of others who have previously been deferred or rejected, it would appear as if it would be practicable to make a limited number of the older and more experienced officers in the services available to help to supply urgent civilian needs.

I want to emphasize also that this number will be limited and it will certainly only be possible to supply men where the need is established as really urgent. The services will not be able to supply men for all communities where a doctor might be wanted to keep up the number who would be normally practising there under peace-time conditions. I should think it likely that it would only be possible to give consideration to those communities who have recently lost a doctor from one cause or another, and only in those places where the need is very apparent after taking account of what physicians may be available at nearby points.

Two advantages will be gained by retaining in uniform the doctors who are thus made available. First, they can be directed to communities where they are most urgently needed while being assured of reasonable economic security. Second, they will remain subject to service in the armed forces if at any time the need for them should become more urgent.

As I have indicated at the beginning, this plan cannot be made final until arrangements are concluded with the provinces. I shall give the house additional information when the matter is sufficiently developed to warrant a further statement.

Mr. F. D. SHAW (Red Deer): May I ask the Minister of National Defence a question? Was any consideration given to the granting of permission to alien doctors to practise? I understand this has been done in the United States and in Great Britain, but that they have been refused permission here. I refer to men who have come to Canada, fully qualified, since the outbreak of the war. I understand there are some who are doing clerical work.

Mr. RALSTON: I cannot say to my hon. friend that consideration has been given to them.

Mr. G. J. TUSTIN (Prince Edward-Lennox): I was glad to hear the statement by the minister. Has any consideration been given to dentists? In some sections there is a great shortage of dentists.

Mr. RALSTON: No, I do not think in connection with this plan any consideration has been given to dentists. I will take the matter up, to see if it is possible to make some similar arrangement.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

WHEAT BOARD—BROKERAGE AND OTHER FEES

Mr. PERLEY:

How much in brokerage fees, commission or any other fees was paid by the Canadian wheat board to the following export firms since August 1, 1943: Alberta Pacific Grain Company Limited, Bunge North American Grain Corporation (Canadian Agency Limited), Cargill Grain Company Limited, Continental Grain Company Limited, Laval and Company Incorporated, McCabe Brothers Grain Company Limited, Searle Grain Company Limited, K. B. Stoddart & Company Limited?

Mr. MacKINNON (Edmonton West): Mr. Speaker, I have had a word with the hon. member for Qu'Appelle regarding this question. The same type of question was before the standing committee on agriculture and colonization during the 1942 session. The committee had before it a motion by the hon. member for Lake Centre, I believe, as follows:

That the board do produce to this committee a complete record of all brokerage fees of all kinds, and commissions paid since the outbreak of war, the persons or corporations to whom such payments were made; the amounts paid to each, and the particulars of service rendered therefore respectively by each of the said persons or corporations.

This motion called for all brokerage and all commissions and fees paid by the board to individual companies or persons; and the question the member for Qu'Appelle is now asking calls for the same information for a selected list of companies. When the motion to which I have just referred was before the committee on agriculture and colonization, the chief commissioner of the Canadian wheat board stated that the disclosure of such information by individual companies would be capable of misinterpretation, and in any event would be inimical to the board's future operations. The committee therefore decided that it would not accept responsibility for the disclosure of this detailed information. I might add that the Canadian wheat board properly discloses in its annual reports the total amounts of brokerage and carrying charges paid. It is the detailed disclosure by individual companies which would be inimical to the board's operations with these companies, and to which exception is being taken. I am now advised that the annual report of the Canadian wheat board for the 1942-43 crop year is expected to be ready by about the end of this month.

I would suggest that the question be dropped.

[Mr. Ralston.]

Mr. SPEAKER: Answered.

Mr. PERLEY: I cannot agree to drop the question. The minister gives as a reason that last year a question in reference to brokerage was turned down by the agriculture committee, but that does not apply to a question which is asked in this house. Surely the house has more power than the committee had. I do not see that such information could be misinterpreted or that it would do anyone any harm. On February 9 I asked the minister a question in regard to the sale of grain, and at that time he said that at a very early day he hoped to be able to give the house a statement. He made that statement on February 14, and in it he gave a list of fifteen firms who were doing this export business. Following that I asked for information in regard to some of these firms, and the minister replied—

Some hon. MEMBERS: Order.

Mr. PERLEY: I think I am quite in order in replying to the statement made by the minister. At the time in question he said it was not possible to separate these amounts, which I said I did not think was a fair statement. Then I had a conference with the minister, during which he read from some notes he had received from the wheat board objecting to this information being given. I took exception to that stand, and said it was not right at all. There is nothing about this that could be misrepresented or wrongfully used in any way. The minister himself put on record the names of these export firms, and I am asking what fees they have been paid since August 1 of last year. I think this house is entitled to the information.

Mr. SPEAKER: I have stated that the minister has answered question No. 9 as it appears on the order paper. It will be considered as answered.

Mr. PERLEY: Then I will place it on the order paper again and ask for the information in regard to all the firms.

USE BY FARMERS OF TRUCKS FOR TRANSPORTATION

Mr. DIEFENBAKER:

1. How many prosecutions, by provinces, have taken place against farmers for the use of their trucks for personal transportation purposes?

2. What have been the maximum and minimum penalties imposed?

Mr. ABBOTT:

1. There have been no prosecutions of farmers for using their trucks "for personal transportation purposes"; but the following numbers of farmers were prosecuted for offences in-

volving the use of trucks for the purpose of transporting passengers and for other uses held by the courts to be wasteful or unnecessary: Nova Scotia 2, Ontario 1, Manitoba 1, Saskatchewan 31, Alberta 1.

2. Penalties imposed, maximum $25 and court costs, minimum $2 and court costs.

FLAX—1942 CROP

Mr. BURTON:

1. How many bushels of each grade of flax did the farmers market of the 1942 crop, and to what board or agency?
2. What was the price paid to the producer at Fort William or Port Arthur on each grade?
3. How many bushels of each grade of flax were sold to the Canadian crushers of the 1942 crop, and at what price?
4. How many bushels of each grade of Canadian flax of the 1942 crop were marketed in the United States, at what price, and was this f.o.b. Fort William and Port Arthur?

Mr. MacKINNON (Edmonton West):

1. All flax of the 1942 crop was marketed through the Canadian Wheat Board. Deliveries by producers, by grades, were as follows:

Western Division
Basis Fort William/Port Arthur

Grade	Bushels	Price per bushel
No. 1 C.W. Flax	8,811,253·39	$2 25
No. 2 C.W. Flax	1,419,844·08	2 21
No. 3 C.W. Flax	425,834·36	2 10
No. 4 C.W. Flax	56,694·51	2 05
Tf. 1 C.W. Flax	294,394·26	2 17
Tf. 2 C.W. Flax	124,416·30	2 13
Tf. 3 C.W. Flax	42,057·18	2 02
Tf. 4 C.W. Flax	3,482·20	1 97
Damp 1 C.W. Flax	2,869·43	2 11
Damp 2 C.W. Flax	2,668·17	2 07
Damp 3 C.W. Flax	3,475·35	1 96
Damp 4 C.W. Flax	622·05	1 91
Sample Heated	1,797·48	1 85
Tf. Sample Heated	673·47	1 80
Tf. Sample Heated and Heating	525·24	1 75
Tf. Heating 3 C.W. Flax	1,188·51	1 90
Tf. Heating 4 C.W. Flax	70·22	1 85
Damp Sample Heated and Heating	35·09	1 70
Damp Sample Heated.	62·28	1 75
Sample Lady's Thumb.	5,980·13	1 90
Sample False Flax	31·00	1 90
Damp Sample Lady's Thumb	26·35	1 80
Flax—broken grain	436·08	1 75
Sample Flax Mild	20·00	1 80
Tf. Heated 3 C.W. Flax	20·46	1 90
	11,198,482·43	

Eastern Division
Basis Montreal

Grade	Bushels	Price per bushel
No. 1 C.E. Flax	33,600·32	$2 25
No. 2 C.E. Flax	20,480·24	2 21
No. 3 C.E. Flax	23,299·23	2 10
No. 4 C.E. Flax	6,053·22	2 05
Tf. 1 C.E. Flax	5,796·44	2 17
Tf. 2 C.E. Flax	10,037·29	2 13
Tf. 3 C.E. Flax	5,132·11	2 02
Tf. 4 C.E. Flax	12,033·12	1 97
Damp 1 C.E. Flax	286·38	2 11
Damp 2 C.E. Flax	207·24	2 07
Damp 3 C.E. Flax	203·00	1 96
Damp 4 C.E. Flax	931·47	1 91
Sample C.E. Flax	2,142·53	1 85
Tf. Sample C.E. Flax	240·04	1 77
	120,445·27	

2. Prices shown above basis Fort William/Port Arthur, or Montreal.

3. Western Division
Sales to Canadian Crushers to January 31, 1944

Grade	Bushels	Basis No. 1 C.W. Flax $1.64 Price
No. 1 C.W. Flax	3,987,569·25	$1 64
No. 2 C.W. Flax	67,502·04	1 60
No. 3 C.W. Flax	31,259·29	1 49
No. 4 C.W. Flax	974·44	1 44
Tf. 1 C.W. Flax	9,845·42	1 56
Tf. 2 C.W. Flax	11,116·12	1 52
Tf. 3 C.W. Flax	218·24	1 41
Tf. 4 C.W. Flax	227·19	1 36
Damp 1 C.W. Flax	317·21	1 50
Damp 2 C.W. Flax	155·55	1 46
Damp 4 C.W. Flax	6·51	1 30
Sample Heated	7,250·24	1 24
Tf. Sample Heated	6·00	1 19
Tf. Heating 4 C.W. Flax	70·22	1 24
Damp Sample Heated and Heating	35·09	1 09
Sample Lady's Thumb.	1,937·14	1 29
Damp Sample Lady's Thumb	26·35	1 19
Damp Sample Heated	5·00	1 14
	4,118,524·38	

Eastern Division

Sales to Canadian Crushers to January 31, 1944

Grade	Basis No. 1 C.E. Flax $1.64 Bushels	Price
No. 1 C.E. Flax.....	33,600·32	$1 64
No. 2 C.E. Flax.....	20,480·24	1 60
No. 3 C.E. Flax.....	23,299·23	1 49
No. 4 C.E. Flax.....	6,053·22	1 44
Tf. 1 C.E. Flax.....	5,796·44	1 56
Tf. 2 C.E. Flax.....	10,037·29	1 52
Tf. 3 C.E. Flax.....	5,132·11	1 41
Tf. 4 C.E. Flax.....	12,033·12	1 36
Damp 1 C.E. Flax.....	286·38	1 50
Damp 2 C.E. Flax.....	207·24	1 46
Damp 3 C.E. Flax.....	203·00	1 35
Damp 4 C.E. Flax.....	931·47	1 30
Sample C.E. Flax.....	2,142·53	1 24
Tf. Sample C.E. Flax..	240·04	1 16
	120,445·27	

4. Flax sold for export to the United States is confined to No. 1 C.W. Flax, of which 6,253,944·31 bushels were sold for export basis Fort William/Port Arthur in store values, at an average price of $2·591934 per bushel.

PRICE OF EXPORT WHEAT

Mr. PERLEY:

1. On what basis is the price of wheat sold to the United States arrived at?
2. On what basis is the price of wheat sold to the United Kingdom arrived at?
3. On what basis is the price of wheat sold to countries other than the United States or the United Kingdom arrived at?

Mr. MacKINNON (Edmonton West):

1. The basis is the differential between the values of wheat in Canada and the United States. The prices are issued daily to exporters and mills and are in force from 1:15 p.m. to 9:30 a.m. the following day, except on Saturdays when they are in force from 12:00 noon until 9:30 a.m. the following market day.

2. The wheat held by the Canadian wheat board for the account of his majesty under order in council P.C. 7942 of October 12, 1943 must be made available to fill domestic requirements and to provide wheat under the war appropriations (United Nations Mutual Aid) Act. The price at which this wheat is made available is fixed from time to time by the governor in council. See paragraph 7 of order in council P.C. 7942 of October 12, 1943. The price from September 28, 1943 to date has been $1.25 per bushel, basis No. 1 northern, Fort William/Port Arthur.

[Mr. J. A. MacKinnon.]

3. For countries included under the United Nations Mutual Aid Act, the basis is the same as for the United Kingdom (No. 2 above). For all other countries, the basis is the same as for the United States (No. 1 above).

EMPLOYMENT OF PRISONERS OF WAR

Mr. DIEFENBAKER:

1. How many prisoners of war are now employed, (a) on all projects; (b) in agriculture; (c) in pulpwood?
2. What are the numbers by nationality?

Mr. MARTIN:

1. (a) 4,117; (b) 142; (c) 3,056.
2. German, 4,044; Italian, 73.

WARTIME HOUSING LIMITED

Mr. NICHOLSON:

1. Who is the manager-director of Wartime Housing Limited?
2. What salary is he being paid?

Mr. MICHAUD:

1. There is at present no manager-director of Wartime Housing Limited. Until such time as an appointment is made, Mr. K. W. Bash is serving as acting general manager.

2. A salary of $12,000 per annum was paid to Mr. Victor Goggin, former managing director of Wartime Housing Limited.

R.C.A.F. RATES OF PAY

Mr. CRUICKSHANK:

1. What is the basic rate of pay of, (a) pilot officer; (b) sergeant, in each of the following aircrew categories: pilot, navigator, air bomber, wireless air gunner, air gunner?

2. What is the rate of flying pay per day, (a) in operations over Europe; (b) for non-flying officers riding as passengers on duty in service aircraft in Canada?

Mr. POWER:

1. (a) Pilot Officer: $6.25 a day in all categories mentioned. (b) Sergeant: Pilot, navigator, air bomber, $3.70 a day; wireless air gunner, $3.45 a day; air gunner, $2.95 a day.

2. (a) Included in base pay shown above. (b) $2 for any day on which they fly on duty.

CONSCIENTIOUS OBJECTORS

Mr. DOUGLAS (Weyburn):

1. What are the names, home addresses and ages of all persons imprisoned or sent to alternative service camps from the beginning of the present war to January 31, 1944, for refusing to do military service on the grounds that they were conscientious objectors?

2. Where are each of these individuals located at the present time, and what length of prison terms are they serving?

3. Which of these individuals were granted status of conscientious objector, and which were refused?

Mr. DOUGLAS (Weyburn): The officials of the department concerned have asked that this question be rearranged. I am quite prepared to redraft the question, and I ask that it be dropped.

Question dropped.

CAPE BRETON ENLISTMENTS AND DEFERMENTS

Mr. GILLIS:

1. What is the total number of enlistments from the county of Cape Breton, Nova Scotia?

2. Of these, (a) what are the names of those rejected and the reason therefor; (b) by whom were they rejected?

3. What are the names of the personnel of the medical examining board for this district?

4. How many deferments were there in the military district of Cape Breton, Nova Scotia?

Mr. RALSTON: I do not think it is possible to give the information asked for in paragraphs 1 and 2, so far as the army is concerned. I will take up the matter with the hon. member, who is asking for information with regard to all three services. I think the question should be dropped, and we will give the hon. member such information as we have.

Question dropped.

R.C.A.F.—AIRCREW

Mr. TUCKER:

1. At whose request was the recent air conference between the Royal Canadian Air Force and the British air ministry held?

2. Will the production of aircrew be curtailed during the next year because of the closing of schools?

3. Will the production of trained aircrew be sufficient to meet, (a) any necessary expansion of the number of operational units and squadrons in the front line; (b) any wastage or replacements?

4. Has the Department of National Defence for Air made provision for the training of sufficient recruits to fill the quota of trainees required in accordance with the terms of the recent conference agreement?

5. What schools of the B.C.J.A.T.P. will be closed as a result of the joint decision of the United Kingdom and the Canadian government at the recent conference, and on what date will these schools be closed?

Mr. POWER:

NOTE: Information contained herein covers the period up to 31st December, 1944.

1. British Air Ministry.

2. No.

3. (a) Yes (b) Yes.

4. Yes.

5. No. 2 Aircrew Graduate training, School, Quebec, P.Q.—To be disbanded 15th March, 1944.

No. 39 S.F.T.S., Swift Current, Sask.—To be disbanded 24th March, 1944.

No. 34 O.T.U., Pennfield Ridge, N.B.—To be disbanded 19th May, 1944.

No. 8 S.F.T.S., Weyburn, Sask.—To be disbanded 30th June, 1944.

No. 5 I.T.S., Belleville, Ont.—To be disbanded July or August, 1944. (May be used for other R.C.A.F. purposes).

No. 6 I.T.S., Toronto, Ont.—To be disbanded July or August, 1944.

No. 7 I.T.S., Saskatoon, Sask.—To be disbanded July or August, 1944.

No. 12 E.F.T.S., Goderich, Ont.—To be disbanded 14th July, 1944.

No. 2 A.O.S., Edmonton, Alta.—To be disbanded 25th August, 1944.

No. 2 E.F.T.S., Fort William, Ont.—To be disbanded 25th August, 1944.

No. 4 E.F.T.S., Windsor Mills, P.Q.—To be disbanded 25th August, 1944.

No. 15 E.F.T.S., Regina, Sask.—To be disbanded 25th August, 1944.

No. 25 E.F.T.S., Assiniboia, Sask.—To be disbanded 25th August, 1944.

No. 26 E.F.T.S., Neepawa, Man.—To be disbanded 25th August, 1944.

No. 31 E.F.T.S., De Winton, Alta.—To be disbanded 25th August, 1944.

No. 32 E.F.T.S., Bowden, Alta.—To be disbanded 25th August, 1944.

No. 14 S.F.T.S. Aylmer, Ont.—To be disbanded 20th October, 1944.

No. 11 S.F.T.S., Yorkton, Sask.—To be disbanded 1st December, 1944.

No. 33 S.F.T.S., Carberry, Man.—To be disbanded 1st December, 1944.

No. 2 B.G.S., Mossbank, Sask.—To be disbanded 1st December 1944.

No. 8 B.G.S., Lethbridge, Alta.—To be disbanded 1st December 1944.

No. 31 B.G.S., Picton, Ont.—To be disbanded 1st December, 1944.

No. 5 S.F.T.S., Brantford, Ont—To be disbanded 15th December, 1944.

No. 6 S.F.T.S., Dunnville, Ont.—To be disbanded 15th December, 1944.

No. 7 S.F.T.S., MacLeod, Alta.—To be disbanded 15th December, 1944.

No. 32 S.F.T.S., Moose Jaw, Sask.—To be disbanded 15th December, 1944.

No. 34 S.F.T.S., Medicine Hat, Alta.—To be disbanded 15th December, 1944.

No. 36 S.F.T.S., Penhold, Alta.—To be disbanded 15th December, 1944.

No. 4 Wireless School, Guelph, Ont.—To be disbanded 29th December, 1944.

R.C.A.F.—WIRELESS MECHANICS

Mr. NOSEWORTHY:

Is the basic pay of wireless mechanics enlisted in the air force raised to $1.50 per day at the end of six months' training or only at the completion of their course?

Mr. POWER: Basic pay of wireless mechanics is not raised to $1.50 per day after six months, nor on completion of their course. Throughout their course, covering 18 weeks at a war emergency training programme school and 28 weeks at wireless school, wireless mechanics are classified as A.C. 2, and are paid $1.30 per day. On successful completion of the course, they automatically receive "C" grouping, for which they are paid an extra 25 cents per day "trades pay". On posting to their first unit after graduation, they are normally reclassified as A.C. 1, and receive an additional 10 cents per day basic pay, bringing basic pay to $1.40 per day and total pay to $1.65 per day.

SHIPMENTS OF ANTIMONY TO THE ARGENTINE

Mr. CASTLEDEN:

What permits were granted for the shipment of antimony from Canada to Argentine during each of the years 1939, 1940, 1941, 1942 and 1943?

Mr. MacKINNON (Edmonton West): No export permits were issued for the shipment of antimony to the Argentine for the years 1939 to 1943.

FUR SEAL AGREEMENT WITH THE UNITED STATES

Mr. FRASER (Peterborough West):

1. Under the provisions set forth in the exchange of notes (December 8-19, 1942) between Canada and the United States of America, recording an agreement for the preservation and protection of fur seals, and having particular reference to article IX thereof, has any legislation been passed by the parliament of Canada giving effect to the provisions of the said agreement and providing penalties for the violation thereof?

2. If so, in what year, and by what act of parliament?

Mr. MACKENZIE KING:

1. No.

2. Answered by No. 1.

PRICES—MILK

Mr. McNEVIN:

What was the price paid to farmers for, (a) butter fat, per pound; (b) milk for cheese manufacture, per hundredweight; (c) milk for powdering, per hundredweight, on June 15 and December 15 in the years 1929, 1933, 1943, bonuses to be included?

Mr. MacKINNON (Edmonton West): Average prices received by Ontario farmers; 1943 prices including bonus:

Butterfat
cents per lb.

	1929	1933	1943
June 15	39·8	20·0	42·9
December 15 ...	40·9	24·2	47·9

Milk for Cheese Manufacture
$ per cwt.

June 15	1·70	·72	1·65
December 15 ...	1·80	·78	2·00

Milk for Powdering
$ per cwt.

June 15	2·00	·85	1·82
December 15 ...	2·08	·90	2·13

CAIRO AND TEHERAN CONFERENCES

Mr. POULIOT:

1. Was Canada represented at the Cairo and Teheran conferences held last year?

2. If so, by whom?

3. If not, is Canada bound by the decisions taken at such conferences?

Mr. MACKENZIE KING:

1. No.

2. Answered by No. 1.

3. No, but obviously any conclusions relating to the conduct of the war reached by the representatives and heads of governments participating in these conferences will carry very great authority with all members of the united nations.

QUESTIONS PASSED AS ORDERS FOR RETURNS

ACCIDENTS IN CANADA AND WAR CASUALTIES

Mr. CHURCH:

1. How many fatal accidents have occurred in Canada each year since the beginning of the war to the end of 1943?

2. How many have been injured during the same period?

3. How many deaths and injuries occurred at level crossings for the same period?

4. How many have been killed and wounded in this war, and what have been the total war casualties during the above mentioned period?

PRICES STABILIZATION—VEGETABLES

Mr. CRUICKSHANK:

1. On how many tons of imported potatoes was a subsidy paid between December 1, 1941, and December 31, 1943, by the Commodity Prices Stabilization Corporation?

2. When will an announcement be made as to the 1944 subsidies on corn, beans and peas?

DOMINION COAL AND NOVA SCOTIA STEEL AND COAL COMPANY—SUBSIDIES

Mr. GILLIS:

How much was paid the Dominion Coal Company and the Nova Scotia Steel and Coal Company in the years 1937 and 1938 by way of subsidy, subvention or other assistance?

SELECTIVE SERVICE MOBILIZATION BOARDS—POSTPONEMENTS

Mr. CASTLEDEN:

1. What persons served on national selective service mobilization boards for Manitoba, Saskatchewan, Alberta and British Columbia during 1941, 1942 and 1943, and during what periods did each of such persons serve?

2. What persons served as military, agricultural, industrial or other representatives to each of these boards, and during what periods did all of these persons serve?

3. How many applications for postponement were received in each province during 1941 and 1942?

4. How many postponements were granted by each board during 1941 and 1942?

5. What military positions did each of the military representatives in each province hold while acting as military representative to or member of any mobilization board in Canada?

NAVAL SERVICE—SUBSISTANCE ALLOWANCE TO OTTAWA PERSONNEL

Mr. ROY:

1. Are members from the ranks in the R.C.N. stationed in Ottawa being granted $1.45 per day as subsistence allowance?

2. Are members of the other armed forces also stationed in Ottawa still granted only $1.25 per day as subsistence allowance?

3. If so, what is the reason why this allowance is not the same as for members of the R.C.N.?

ACADIA SUGAR REFINERY

Mr. ISNOR:

1. What steps if any are being taken to relieve the double transportation of raw sugar being hauled over the lines of the Canadian National Railways from the port of Halifax, Nova Scotia, to inland points to be refined?

2. Do the reasons given for the closing down of the Acadia Sugar Refinery at Woodside, Halifax county, N.S., still exist?

3. Do transportation difficulties now exist to such an extent as they did two years ago?

4. Does the scarcity of fuel oil, for operating purposes, exist to the same extent as it did when the plant was closed?

DOMINION-WIDE TEACHERS' CERTIFICATES

Mr. ISNOR:

1. Has any dominion conference been called within the past two years by any branch of the government inviting provincial educational authorities with a view of studying ways and means so as to validate teachers' certificates so that a teaching certificate secured in any province may be valid for use in any other province?

2. If such conference was held, on what date, where, what were the names of representatives of provinces attending; the subjects discussed and considered, and decisions reached?

3. Was the question of free-exchange of teachers between provinces considered? If so, with what results?

Mr. McLARTY: Return tabled.

SELECTIVE SERVICE—BOUCHARD PLANT, STE. THERESE, QUE.

Mr. RAYMOND:

1. How many employees, (a) male; (b) female, in the plant known as the Bouchard plant, at Sainte-Thérèse, Quebec, have been laid off within the last two months and how many have quit work voluntarily?

2. Were those who left work voluntarily, threatened with a salary reduction, directly or indirectly?

3. Within the last two months, how many persons formerly employed at the Nobel plant, Ontario, have been transferred to the Bouchard plant, at Saint-Thérèse, Quebec, by the selective service, and who paid their travelling expenses?

4. Within the past two months, how many persons employed in other plants of Ontario and other provinces have been transferred to the Bouchard plant, at Sainte-Thérèse, Quebec, by the selective service, and who paid their travelling expenses?

SELECTIVE SERVICE—BOUCHARD PLANT, STE. THERESE, QUE.

Mr. BERTRAND (Terrebonne):

1. How many employees of the Defence Industries Limited plant at Nobel have been transferred to Bouchard, since the 1st of November, 1943?

2. What are the names and addresses of employees so transferred?

3. What was the occupation, at Nobel, of each of the persons so transferred, and what was his salary?

4. What is the occupation, at Bouchard, of each of the persons so transferred, and what is his salary?

5. Have the persons so transferred taken positions already occupied? If so, what are the names and addresses of the persons who have been replaced?

SELECTIVE SERVICE—TRANSFERS TO NITRO PLANT NEAR VALLEYFIELD

Mr. RAYMOND:

1. Within the last six months how many employees working at the Nitro war plant, near Valleyfield, operated by Defence Industries Ltd., have been laid off?

2. Within the last six months, how many new employees have been hired in the service of the same company at the same place?

2. Within the last six months, how many persons formerly employed at the Nobel plant, Ontario, have been transferred to the Nitro plant, near Valleyfield, by selective service, and who paid their travelling expenses?

4. Within the last six months, how many persons employed in other plants in Ontario and other provinces have been transferred to the Nitro plant, near Valleyfield, by the selective service, and who paid their travelling expenses?

MOTIONS FOR PAPERS

SINKING OF "B.C. STAR"

Mr. McGEER:

For a copy of all letters, communications, reports or other documents pertaining to the

sinking of the boat *B.C. Star* off the coast of British Columbia while being operated in the service of the Department of National Defence for Air.

MOBILIZATION ACT—POSTPONEMENTS IN SASKATCHEWAN

Mr. COLDWELL:

For a copy of all correspondence, letters, telegrams, memoranda and other documents exchanged between members of the House of Commons or members of the Saskatchewan legislature and the minister responsible for the administration of the National Resources Mobilization Act, or, with the Saskatchewan national resources mobilization board, or any member thereof, relating to deferments, postponements or exemptions from military service, between the organization of the said board and December 31, 1943.

MOBILIZATION ACT—SASKATCHEWAN
ROBERT MAKAROFF

Mr. COLDWELL:

For a copy of all letters, telegrams, memoranda and other documents in possession of any department of government or minister relating to the case of Robert Makaroff, of Saskatoon, Saskatchewan, together with a copy of the judgment of the mobilization board of division "M" and dated at Regina, the 25th day of November, 1943.

AGRICULTURE—EXPENSE ACCOUNTS OF CERTAIN EMPLOYEES

Mr. DOUGLAS (Weyburn):

For a copy of all expense accounts, vouchers, receipts and forms A-101 submitted during the period from June 15 to August 15, 1943, by the following persons employed by the Department of Agriculture: J. Walton, E. B. Cressman, R. G. Hobbs, E. J. Flory, J. E. Bergey, P. J. Gormicau, P. M. Johnson, P. M. Buchinski, E. W. Hartle, H. Krienke, Henry Poss, H. Roth, G. W. Newell, Colbin Erickson, Henry Theissing, H. A. Boucher, R. F. McGregor.

NATIONAL DEFENCE—SHERBROOKE, N.S., PROPERTY

Mr. GILLIS:

For a copy of all letters, telegrams, communications, exchanged between the Department of National Defence and any person or persons, relating to the renting or leasing of property in Sherbrooke, Nova Scotia, for national defence purposes.

TUNNEL BETWEEN PRINCE EDWARD ISLAND AND THE MAINLAND

Mr. BLACK (Cumberland):

For a copy of all correspondence since the entrance of Prince Edward Island into confederation exchanged between the government of Prince Edward Island and the federal government, in connection with the proposed building of a tunnel or causeway from Cape Tormentine, New Brunswick, to Prince Edward Island.

Also for a copy of all plans, surveys and estimates of cost with dates of each survey and estimate and by whom made.

[Mr. McGeer.]

Mr. MACKENZIE KING: Could not my hon. friend indicate more precisely the documents he wishes to receive? This return, as will be seen by an examination of the motion, involves going through correspondence in departments at Ottawa back to the year 1873.

My hon. friend knows that almost every year there has been some one or more persons who have felt it their duty to urge the construction of this tunnel. What plans have been made or what estimates have been made I cannot say. But I am sure of this, that it would take a good part of a year to prepare the return in the form in which it is asked for, and the expense involved in preparing it would be very large—some one has just remarked it might equal the cost of the tunnel.

Mr. BLACK (Cumberland): I should like to comply with the wishes of the Prime Minister, but I would point out to him that this involves only the correspondence between the government of Prince Edward Island and the federal government. It deals with only one subject. True, it has been lengthy, but the people of Prince Edward Island have been waiting for the solution of this problem for a long time; it was one of the conditions of confederation. I believe there have not been very many surveys and plans, and the information could be readily gathered and submitted to the house.

I suggest that the motion be allowed to stand over, and if the ministers of the departments concerned consider that the correspondence and information is too voluminous, and is not of special interest at the present time, they might confer with me, and we would reduce the correspondence to the amount required. I must say, however, that a great many people are interested in this matter.

Motion stands.

WARTIME HOUSING—RESIGNATION OF VICTOR T. GOGGIN

Mr. NICHOLSON:

For a copy of all letters, telegrams, memoranda, and other documents, in connection with the resignation of Victor T. Goggin, general manager of Wartime Housing.

MEAT BOARD—TORONTO BEEF SLAUGHTERINGS

Mr. SENN:

For a copy of all letters, including copies of orders enclosed, telegrams or other orders of communications, passing between the meat board or any of its members and its officials, on the one hand, and meat packing companies, wholesale butchers or commission merchants, doing business in the city of Toronto, during the months of July and August, 1942, and having reference to the government agreeing to take 20 per cent of all beef slaughterings; also a

statement showing the number of carcasses so taken, from whom, and at what price in each case.

IRISH FREE STATE

QUESTION OF EXPULSION OF GERMAN AND JAPANESE DIPLOMATIC AND CONSULAR REPRESENTATIVES

On the orders of the day:

Mr. GORDON GRAYDON (Leader of the Opposition): Mr. Speaker, I should like to address a question to the Prime Minister. Press reports from London would seem to indicate that Prime Minister de Valera appealed to the Prime Minister of Canada in connection with the recent United States demand for a cessation of axis espionage activities in Eire. Will the Prime Minister be good enough to inform the house fully upon this point and table the correspondence or such other communications as may have passed between the governments of Canada and Eire relative thereto?

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I had anticipated an inquiry from the leader of the opposition—indeed he was kind enough to give me notice of it in advance—and I have prepared a short statement for the information of the house with regard to the reports which have appeared in the press recently concerning representations which have been made to the Irish government by the government of the United States requesting the expulsion of German and Japanese diplomatic and consular representatives from Ireland.

On Friday evening, March 10, the State department in Washington made public the text of the United States note of February 21, and simultaneously the Irish legation in Washington announced the reply of the Irish Government. On the same date a newspaper report from London made the statement that Mr. de Valera had appealed to me "to mediate" in the affair, shortly after the presentation of the United States note.

It may, perhaps, clarify matters if I say at the outset that the Canadian government has not in any way endeavoured to mediate between the Irish government and the United States government, also that such representations as were received were in the nature of informal confidential conversations.

Shortly after the presentation of the notes, Mr. de Valera sent for Mr. Kearney, our High Commissioner in Ireland, and told him that he considered it would be in the mutual interest of Ireland and the united nations if through the intervention of a friendly nation the notes might be withdrawn. He suggested Canada might be willing to assume this task and asked Mr. Kearney to put his request before the Canadian government. Subsequently Mr. Hearne, the High Commissioner for Ireland, resident in this city, came to see me personally. In my reply it was made clear that, as the Canadian government was in full sympathy with the object of the approach made by the United States government, we would not wish to intervene in the matter. I believe that the informal discussions which took place through Mr. Kearney in Dublin and with Mr. Hearne here were of some help at the time in steadying a difficult situation. Since there were no written communications exchanged between the Irish and Canadian governments, there are no documents to be tabled.

Mr. de Valera made it very plain that his government had done and would continue to do its utmost to prevent the axis representatives now on its soil from using their position there to secure information which could be used to the disadvantage of the united nations. At the same time, there can be no doubt in the minds of any of us here that the axis representatives will not hesitate to abuse the privileges that have been granted them as diplomatic or consular representatives in Ireland if by such abuse they can in any way injure the united nations.

INCOME TAX

STATUS OF ARMED FORCES PERSONNEL SERVING IN KISKA

On the orders of the day:

Mr. S. H. KNOWLES (Winnipeg North Centre): Mr. Speaker, on February 29, as reported at page 1025 of *Hansard*, the Minister of National Defence (Mr. Ralston) said that before long an announcement would be made respecting the income tax status of men who went to Kiska. I refer to the 13th Canadian infantry brigade, which included along with other units the reconstituted first battalion of the Winnipeg Grenadiers. Could the minister or some other member of the government indicate when that announcement might be expected?

Hon. J. L. RALSTON (Minister of National Defence): It is expected that an announcement will be made on the matter very shortly.

SUPPLY

PENSIONS—OLD AGE AND BLIND—AMENDMENT, MR. KNOWLES

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved that the house go into committee of supply.

Mr. KNOWLES: Mr. Speaker—

Mr. HANSON (York-Sunbury): Mr. Speaker, is this a motion to go into supply?

Mr. SPEAKER: Yes.

Mr. HANSON (York-Sunbury): Do I understand that you have seen the hon. member for Winnipeg North Centre (Mr. Knowles) ahead of me?

Mr. SPEAKER: Yes.

Mr. HANSON (York-Sunbury): Is this not a new motion? I am asking for information.

Mr. SPEAKER: Yes.

Mr. HANSON (York-Sunbury): Well, the hon. member for Winnipeg North Centre is resuming the debate.

Mr. SPEAKER: No; the hon. member wishes to speak on the motion to go into supply.

Mr. S. H. KNOWLES (Winnipeg North Centre): Mr. Speaker, before Your Honour leaves the chair there is a matter which I should like to call to the attention of this house, and before I resume my seat I shall move an amendment which will set forth the points that I wish to raise.

The subject which I feel should be discussed at this time is that of old age pensions. There are four phases of the subject which I feel should be gone into by the members of this house: first, the amount of the pension now being paid; second, the question of "other income" which the old age and blind pensioners are allowed to receive; third, the question of the pensionable age; and finally, the matter of the old age pensions regulations, which I believe all members of the house feel should be thoroughly revised.

Perhaps it would be well at this time to give the wording of the amendment which I shall move as I conclude my remarks. It is as follows:

That all the words after the word "that" to the end of the question be struck out and the following substituted therefor: this house desires to record its opinion that immediate consideration should be given to increasing the amount of the old age and blind pension, and also the amount of other income which an old age or blind pensioner may receive; and further, that immediate consideration should be given to lowering the pensionable age, and to a thorough revision of the old age pensions regulations.

My reasons for raising the matter at this time are four. First of all I have in mind the experience that we had in this house last year. A number of us were most anxious that this matter should be discussed thoroughly and properly during the session of the house, but hon. members will recall that we were prevented from any adequate discussion of the subject until the item in the estimates dealing with old age pension administration had been called. That item was not called until about nine o'clock in the evening of the 24th of July, about two hours before the session was concluded. I was not here during the previous session, but on looking at *Hansard* I find that in the 1942 session this matter again was not reached until the last day, namely, on August 1, 1942, and even when it was reached that year an effort was made by the chairman of the committee of supply to prevent the discussion of matters such as are referred to in my amendment. I also point out that there has been no indication in the speech from the throne or anywhere else that this matter is due for any thorough discussion on the initiative of the government this year.

My second reason for bringing the matter up at this time is that there is in the offing, although we have not been told when it will take place, a dominion-provincial conference. It seems to me that this is a subject which should be dealt with at this conference, and it is desirable that the opinion of this house, of all of its members, should be made clear, well in advance of the holding of the conference.

My third reason for raising the question at this time is its importance to a great many of our people, especially to the 190,000 who are in receipt of the pension, as well as to many others who are not receiving it because of restrictions in the regulations and for other reasons.

My fourth reason is that it seems to me the subject is one for proper discussion along with the debate which is now proceeding on the industrial development bank bill. There we are dealing with the problem of production in the post-war period, and I raise this question as one phase of the counter-problem, that of distributing the goods we are able to produce.

I turn to the first question dealt with in my amendment, the amount of the pension, and I should like first of all to give some figures that will indicate, as well as can be indicated by the statistics available, what we are paying to our old age pensioners at the present time. According to the last report of the Department of Finance on old age pension matters, issued on March 31, 1943, the following were the average monthly amounts being paid to old age pensioners by provinces, as of that date:

Province	Average amount monthly
Alberta	$18 69
British Columbia	19 28
Manitoba	18 78
New Brunswick	15 27
Nova Scotia	15 65
Ontario	18 86
Prince Edward Island	13 48
Quebec	17 20
Saskatchewan	17 53
Northwest Territories	20 00

The average for the whole of Canada on March 31, 1943, was $17.46 per month per pensioner. I repeat, those are the figures for March 31, 1943. Since that date there have been certain increases, notably the increase announced by the Minister of Finance (Mr. Ilsley) on July 24 of last year, and which was provided for by order in council P.C. 6367 of August 10, 1943. That order in council provided for increases in some cases to a maximum of $25 per month. We have not yet been able to get figures as to the effect of that provision, and in order to try to arrive at the amount now being paid to our old age pensioners I have done this. I have found that the amount to be appropriated in the civil estimates for this year for old age pensions to be paid by the federal government is $31,526,500.

Also in *Hansard* for the present session, at page 395, I find that there is to be in the war appropriation bill, covering the extra amount provided by the order in council to which I have referred, an item of $6,942,250. In other words, the federal government is setting aside this year a total of $38,468,750 for payments to old age and blind pensioners. One must take into account the fact that this represents seventy-five per cent of the amount which the pensioners will receive; the other twenty-five per cent is to be paid by the provinces. When one makes the necessary adjustment by adding for the provinces the sum of $12,822,913, one arrives at a total figure of $51,291,663. This is the total amount provided for old age and blind pensioners for the coming fiscal year. There are, according to the statistics of the Department of Finance, 190,000 old age and blind pensioners. By a process of simple arithmetic, assuming that all this money being provided will be disbursed, we arrive at the figure of $22.49 per month as the amount we are proposing to pay on the average to our old age and blind pensioners this year. I understand that in one or perhaps two of the provinces there are amounts which are supplementary to this $22.49. I doubt if it will be in excess of five dollars, but even if these payments are being made in the two far western provinces it does not affect this as the basic average for the whole of Canada.

I need not take time to emphasize the hopeless inadequacy of $22.49 per month to maintain the existence of the old people over seventy who have made their contribution to the well-being of this country. Such words as "callous" and "inhuman", if one applies them, hardly tell the story as it ought to be told. Surely it is no longer necessary to argue the case for old age pensions as not a matter of charity but as a matter of right, as an integral feature in our modern society. The old idea lingers on that it is charity, that it is something which we hand out as it were, that it is a heavy cost borne by government; therefore, that any of us who rise and ask that this amount be increased are seeking to place too heavy a burden on the country as a whole. Actually what is involved in the payment of old age pensions is the recognition that the people of this country, when through their working years they make a contribution to the building up of the wealth and the productive capacity of Canada, are entitled, when they reach an age as a matter of fact far less than seventy, to share in the wealth and the productivity which they have helped to build up. The amount involved in making even a fairly sizable increase in the old age pension is relatively small, as I shall presently show. But before doing so I want to say that even if it were large, that in my opinion is no longer an argument against making sizable increases in the amount of the old age pension.

On July 24 of last year the hon. member for Vancouver-Burrard (Mr. McGeer) made an interesting comparison between Canada and Australia with respect to the payments for old age pensions in proportion to population. I shall not take the time to give the details which he gave then, except to state the conclusion which can be drawn from the figures which he placed on *Hansard,* namely that if we were putting into old age pensions in proportion to our population the amount that is being paid in Australia we would be appropriating two and one-half or three times as much as we are now providing for this purpose.

On this whole question of, as I put it, the relatively small amount of money it would take to increase the pensions of our people, I would refer hon. members to the remarks of the Minister of Finance on July 24, 1943, when he announced the possible five dollar a month increase. At that time he stated that the total cost of adding a flat amount of $5 per month to the pension of all our pensioners in Canada, old age and blind, would be a little less than $11,400,000.

My suggestion, although I have not put specific figures in the amendment which I

propose to make, is that we should right now be adding $15 to the amount of the pension which we are paying our people; in other words, providing for a maximum, in cases where pensioners would qualify for it, of $40 per month. This would obviously involve an additional amount of three times the figure which the Minister of Finance gave last July for a five-dollar increase. In other words the cost, even though the federal government paid the entire amount, of adding $15 to the pension of all our old age and blind pensioners, would be $34,200,000. There was a day in this house when that sum sounded very large, and it still is a lot of money, as the parliamentary assistant to the Minister of Finance (Mr. Abbott) said the other day about another sum; but I point out that it is only one-seventh of the amount by which we are reducing our war appropriation bill this year. In other words this entire amount, sufficient to add $15 per month to the pension of every old age and blind pensioner, could be paid by the federal government, could be added if need be to the war appropriation bill, and we would still be voting a war appropriation bill of $205,800,000 less than we voted last year.

There are one or two other ways in which I should like to look at these amounts of money which we pay or ought to be paying to old age pensioners. This $34,200,000, which I repeat is what it would cost to add $15 a month to every pension, sounds like a lot of money, but in relation to the total expenses of this government for this year it is infinitesimal. We have not before us as yet the final statement as to what the total expenses this year will be, but they will be in the neighbourhood, I imagine, of $5,000,000,000. I arrive at that figure by taking $3,650,000,000 as the amount of the war appropriation bill, $700,000,000 as the total of the civil estimates, and then I took the figure of $650,000,000 as a possible amount of the Mutual Aid Bill, although the minister has not yet said what it will be, except that it will be less than last year's thousand million dollars. Well, $34,200,000 in relation to five thousand millions is, I repeat, infinitesimal. In fact, in order to increase the pension by the $15 per month which I am proposing, we would have to raise, for each dollar we are now raising, an additional amount of less than seven tenths of one cent. Seven tenths of one cent additional money for each dollar we are now raising would provide the $34,200,000 necessary to add $15 to the pension of every old age and blind pensioner.

One other comment I should like to make with regard to the amount of money we are spending on old age pensions. Last year we voted in this house—and we in this group were glad, along with other members, the vast majority at any rate, to vote that money—assistance to our allies to carry out the purposes of the war. We voted to give away for that purpose the sum of $1000 million. I would point out that at the present time the federal government is spending on old age pensions only $40 million, as a matter of fact a little less. Last year we were able to give away for the purposes of the war, to other countries, a sum of money sufficient to pay the old age pension bill for twenty-five years.

I submit that we are not discharging our responsibility to these people by the small amount of money we are spending on them. Even if a larger amount were involved in increasing the payment to old age pensioners, that as I see it is no argument against the proposal that this should be done. So far as the future of our economy is concerned, there are two problems. First, there is the problem of production, and we are dealing with that at the present time. We have a bill relating in part to that problem. Then there is the problem of distribution. We have now not so much the old question, where is the money to come from; the question now is, where is the production that we are capable of achieving going to.

I contend that along with our attacking of the problems of production we have to devise ways and means of distributing among our people the goods which we are capable of producing, and I suggest that one of the best places to start on such a programme is by increasing the amount we are contributing to our old age pensioners, and that this should be as a matter of right. In the same breath I would mention the responsibility which I think we should discharge, on a generous basis, to those who come home maimed or suffering in consequence of their service in the present war. I would point out that the contribution of this money to our old people involves putting purchasing power into their hands; that money will by no manner of means be hoarded; it will be used and spent. Every argument is on the side of making such an increase without delay.

The cry that there would be inflation in adding sums of money such as these to the purchasing power of the people is ridiculous so long as we at the same time arrange for the production of goods to be set against this increased purchasing power. That is what we have done during the course of the war. Before the war broke out, thousands of our young men were unemployed. The suggestion

at that time that we should find money in order to put them to work was treated in some quarters as ridiculous and impossible. But what have we done? We have taken many of these men off the streets, off the relief rolls, and provided for them—to enable them to do a job in this war—sums of money such as many of them never before had seen. At the same time we have seen to it that goods and services, both peace time and war time, have been produced and we have not had any threat or scare of wild inflation. On the contrary, we have now, as a result of these tremendously increased sums of money in circulation, the highest level of economic activity and the highest standard of living we have ever had in our Canadian history.

I repeat therefore that the cost of raising these pensions is not great but even if it were, every argument at this stage of the game is on the side of taking this step. At this point may I say this. I feel that we should not get into any argument as to whether increases in old age pensions such as these should be paid by the dominion or by the provinces. The argument for payment by the provinces, as I see it, is a hangover from the idea that old age pensions are a form of charity to be provided as a sort of social service by the provinces. As I see it, old age pensions represent part of our philosophy of society in these days, and when a nation as a whole produces wealth such as we are capable of producing our people should share in that wealth. It is Canada as a whole that has the say as to the means whereby wealth is produced, and there is no question but that the responsibility for paying an adequate retiring allowance should rest with the federal government.

And now I want to turn to the second subject I referred to in the amendment which I wish to propose. It relates to the ceiling on other income which the old age and blind pensioners may receive. Prior to August 10 last, the amount of other income which the pensioner could receive was $125 a year, and on that date it was reduced to the sum of $65. On July 24 last year, when the Minister of Finance announced in this house the proposed increase of $5 a month, he made it clear that the government was not raising the $365 ceiling, in other words that the government was actually reducing by $60 the amount of other income which these pensioners might receive. Some of us in this house on that day spent the whole of our time in that discussion in an appeal to the Minister of Finance to alter that provision before the order in council was passed. When he came to Manitoba last summer in connection with the by-election campaign we had out there—a very interesting one—I made a public appeal to him over the radio, in view of the fact that this order had not yet been passed, to reconsider the position he had taken on July 24. But no. The order was passed on August 10. I hope there is no significance in the fact that that was the day after the by-election. The order stuck to the $365 ceiling. This has had an unfortunate and unhappy effect in the experience of many of our old people, and has produced all sorts of complications.

It seems to me it would have been the part of wisdom, and surely the part of generosity, for the government at that time to raise the ceiling, at least by the amount it was then raising the maximum pension. When the minister spoke of this increase of $5 a month he said in this house that it would cost $11,398,500, but he pointed out that, the dominion's share being only seventy-five per cent, the dominion would have to be responsible for only $8,548,875. The implication I gathered from the minister's remarks was that this government would, if necessary, be prepared to take care of that amount. However, by reducing from $125 to $65 the amount of other income that old age and blind pensioners can receive, many pensioners were denied the whole increase, and many pensioners were denied any portion of the increase at all. The result, according to the war appropriation bill of this year, is that it requires not $8,548,875 to pay this five dollar increase, but only $6,942,250. In other words the provision for reducing from $125 to $65 a year the amount of other income which a pensioner may receive saved the government $1,556,625. That amount of money is terribly small in so far as the government is concerned, yet it has meant a great loss to the old age pensioners. It is reprehensible that that course of action was taken, and I earnestly hope that the government will give consideration to raising the ceiling at an early date. As a matter of fact I feel that any decent old age pension legislation ought to make provision for old age and blind pensioners to have other income as high as $40 a month. In the meantime, one government that I know of, the government of Manitoba, has indicated that it will make representations to this government to raise the ceiling from $365 to $425 a year. That is little enough to ask for, but I say it is coming as a request from the government of Manitoba. I earnestly hope that the request will be met at an early date by this government.

There are two other points that I wish to speak on, but perhaps at this stage, I should

move the amendment which I read at the opening of my remarks. I now do so in the words that I used at the time I presented its terms to the house. The amendment is seconded by the hon. member for Vancouver East (Mr. MacInnis).

I turn now to the third provision of this amendment, which relates to the question of the pensionable age. It seems to me that the age of seventy is ridiculous. The hon. member for Vancouver East (Mr. MacInnis) pointed out on another occasion the only reason he could see for it was that someone drafting this bill must have run across that verse in the ninetieth Psalm which states: "The days of our years are threescore years and ten," and by fixing the age at that point the government would be saved the necessity of paying very much under this bill.

Mr. MacNICOL: May I say that some years ago I advocated reducing the age to sixty-five. At the same time I believe the hon. member for Vancouver East or the late member for Winnipeg North Centre introduced it in this house.

Mr. KNOWLES: I am advised the statement is quite correct, and I am sure the hon. member will welcome the opportunity to support the amendment I have moved.

At the present time it is true that there are many people in the bracket between sixty and seventy who are working at jobs of one kind and another and whose employment is indirectly, and in many cases directly, aiding the war effort. Many of those people would not want to go on old age pension at this time even if it were possible for them to do so. However, there are many in this bracket, particularly in the upper part of it, sixty-five to seventy, who are having a very difficult time to carry on because of the fact that they are denied a pension until they reach the age of seventy. My suggestion is that the age limit should be reduced to sixty, although I have not put a specific figure in the amendment which I have proposed.

I would suggest that all the arguments I have used as to the desirability of our attacking the problem of distribution apply definitely to this phase of the subject, namely, the desirability of reducing the pensionable age. In addition to the other arguments that have been put forward I would remind the house that one of the things that will be desirable in the post-war period will be the encouragement of retirements at an earlier age than in the past in order that there may be opportunities for employment of those of younger years.

If the proposal for a reduction of the age to sixty were made at the present time, even though many would not qualify or want to qualify for a pension right away, there are those, of course, who would do some calculating to try to point out that eventually this suggestion would impose an impossible burden upon the treasury of the country. To anticipate some of those arguments I should like to give a few figures to indicate what it would cost to establish an old age pension of $40 a month, starting at the age of sixty. On March 6, 1939, the then minister of finance, Mr. Dunning, objecting to a proposal which was being made along this line, said that to lower the pensionable age to sixty-five would cost the dominion an additional $19,000,000 a year. He said that to go farther and reduce it to sixty would cost, in addition to that $19,000,000, another $25,000,000; in other words, a total of $44,000,000 a year. Suppose we add to that a little and call it $45,000,000. That is what it would cost to reduce the pensionable age to sixty, leaving the amount at $20 a month. If you increase it to $40 a month, it would cost twice that, namely, $90,000,000. That would represent, however, only the dominion government's seventy-five per cent. Therefore, one would have to add to that the sum of $30,000,000, which would give you $120,000,000 as the total cost if the federal government paid it all, and if a pension scheme of $40 a month were applied to those between sixty and seventy.

I would point out that even if all these figures I have quoted were added together, even if all this responsibility were placed on the federal government to provide pensions of $40 a month at age sixty, the increased cost per year would total only $155,000,000. This is $85,000,000 less than the amount by which we are reducing our war expenditures each year. Therefore I seriously suggest these figures of $40 and the age of sixty, not as figures that are high or low, in the hope that some compromise may be reached somewhere in between, but as the minimum amount and the highest age we should be considering in a measure of this kind.

I should like to turn for a few minutes to the—

Mr. SPEAKER: Order. It would have been preferable if the hon. member had moved his amendment at the beginning of his remarks and then I should have been in a position to deal with it, because I must find that the amendment is out of order.

The amendment reads:

That all the words after the word "that" to the end of the question be struck out and the following substituted therefor: this house desires to record its opinion that immediate consideration should be given to increasing the amount

of the old age and blind pension, and also the amount of other income which an old age or blind pensioner may receive; and further, that immediate consideration should be given to lowering the pensionable age, and to a thorough revision of the old age pensions regulations.

It is provided, as the hon. member may see, on page 137 of Beauchesne's Parliamentary Rules and Forms, citation 345.

The ancient doctrine that the redress of grievances should be considered before the grant of supplies is maintained in the House of Commons of Canada by the provision of standing order 49 that the motion for the Speaker to leave the chair can be amended; and the amendments need not be relevant but may relate to every question connected with public administration.

Then I leave out a portion and continue:

Matters of detail which should be discussed in committee cannot be debated on these occasions, nor can debate be permitted relating to grants already agreed to, or to resolutions which will be proposed in the committee, or to items in the estimates.

At page 10 of the estimates I find item 52, dealing with the administration of old age pensions, including pensions to the blind; and there is a further item covering the payment of the dominion's share of such pensions. All the matters now being discussed by the hon. member are relevant to and can be thoroughly discussed on this item in the estimates, and for that reason I must rule that his amendment now, on going into supply, is out of order.

Mr. KNOWLES: May I speak to the point of order?

Mr. SPEAKER: I have already decided that the amendment is out of order, so that there is no point of order.

Mr. GRAYDON: Do I understand that this is not debatable by anyone?

Mr. SPEAKER: No.

Mr. KNOWLES: If I may not speak to the point of order, Mr. Speaker, I take it that I may continue with my remarks on the subject which I raised?

Mr. SPEAKER: I have already decided that the hon. member is discussing a matter which cannot be debated on the motion to go into supply. It is a matter which can be discussed when the proper item in the estimates is before the committee. At that time it can be gone into fully, but in the meantime it is not a proper amendment and I have therefore ruled it out of order.

Mr. COLDWELL: Do I understand you, Mr. Speaker, to rule that the discussion of old age pensions is out of order? Before you rule on the point I have just raised may I direct your attention to the fact that when the estimates are before the committee there is no opportunity to revise or change them. It seems to me that at the moment hon. members are trying to bring to the attention of the government the necessity of doing something in regard to the estimates; and while there is an item in the estimates covering old age pensions, surely the discussion of that subject is not out of order because of that fact. If that is so there is almost nothing that could be discussed on going into supply.

Mr. SPEAKER: Many matters are relevant on going into supply, matters which are urgent and which should be brought to the attention of the government. In the present case, however, the amendment asks that the house record its opinion as to the immediate necessity of increasing the amount of old age and blind pensions. That is a matter which can be discussed when the proper item in the estimates is before the committee; therefore it is not relevant to-day.

Mr. COLDWELL: But the discussion on the motion to go into supply is still before the house, I take it?

Mr. SPEAKER: That is so.

Mr. KNOWLES: Then I should like to continue to speak to the motion to go into supply. You have ruled my amendment out of order, so that I cannot further speak to it, but I should like to continue to speak to the motion to go into supply.

Mr. SPEAKER: On the same question?

Mr. KNOWLES: Yes, sir.

Mr. SPEAKER: I have already ruled that this matter cannot be further discussed at this time.

Mr. GRAYDON: On the point of order, Mr. Speaker—

Mr. SPEAKER: There is no point of order.

Mr. COLDWELL: I did not hear what was said by the leader of the opposition (Mr. Graydon).

Mr. GRAYDON: I did not get a chance to say anything; I tried to sit down as gracefully as possible under very extraordinary circumstances.

Mr. SPEAKER: There is no point of order. Is it the pleasure of the house to adopt the motion?

Mr. MacINNIS: Do I understand, Mr. Speaker, that I can continue with a discussion of the question of old age pensions on the motion to go into supply?

Mr. SPEAKER: No. I understood the hon. member for York-Sunbury (Mr. Hanson) wished to speak on the motion to go into supply, and I have no desire to deprive him of that opportunity, but at the moment he is not in his seat.

BEER—REMOVAL OF FEDERAL RESTRICTIONS OF SUPPLIES TO PROVINCES

Mr. J. H. BLACKMORE (Lethbridge): Before you leave the chair, Mr. Speaker, I should like to refer to the statement made to-day by the Prime Minister (Mr. Mackenzie King), in the course of which he said that the provinces had cooperated with the dominion very enthusiastically up to the present time. I know he wishes that happy condition to continue, and consequently I believe he should have two or three matters brought to his attention.

In regard to the disagreement between the province of Alberta and the dominion as regards liquor there are two important statements about which I think the Prime Minister would be glad to hear. The first of these was issued on March 8, and appears in the Edmonton *Bulletin* of March 9. It is by Mr. J. A. King, chairman of the Alberta liquor control board, in reference to the statement by the Minister of National Revenue (Mr. Gibson), to which the Prime Minister referred. Mr. J. A. King said:

> We certainly took all we could possibly buy. It is true that some of the distillers were unable to give us the full allotment to which we were entitled.

As the Prime Minister will recognize, that completely takes the sting out of the statement by the Minister of National Revenue (Mr. Gibson) that Alberta had not taken its full quota of liquor. Now we learn that Alberta took all the liquor it could get from the distillers, and that it could not get enough to fill its quota.

The second statement to which I should like to refer appears in the same issue of the *Bulletin*; it is by Hon. S. E. Low, and I am sure the Prime Minister will be glad to have it on record because it will put that statesman in the right light. The Minister of National Revenue stated that the contention that the eastern provinces had been tipped off was without foundation. In reply Mr. Low repeats the statement made by Mr. J. A. King, that the province bought all it could and that the distillers could not provide any more liquor although Alberta could have used more. Then Mr. Low goes on to say:

Mr. Gibson's answer is most unsatisfactory. He still has to answer why the government selected October 31, 1942, as the end of the base year, and why it made the order retroactive to that date, when it was not issued until January, 1943, and also why even after the order came into effect, Ontario and Quebec could allow so much more liquor to permittees than we could.

The Prime Minister can see that this indicates one cause of the disagreement which should be ironed out between the dominion and the province. Then Mr. Low continues:

> The answer is quite clear. Ontario and Quebec knew the restrictions were coming up, and we certainly didn't. The people in the east were given every chance to buy up the liquor.

I am sure the Prime Minister would wish to have knowledge of these statements in order that the difficulties between the dominion and the province may be resolved. I should like to assure the right hon. gentleman that the government of Alberta is desirous of cooperating with the federal government in every respect; they have no desire for any friction or lack of harmony and are just as eager to have the war conducted in an efficient way as anyone could be.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I am pleased to have the assurance my hon. friend has just given. I do not question it at all; but if I caught aright the last sentence or two of what he has just read it was to the effect that Quebec knew about certain restrictions which were coming, and that Alberta did not. That is the sort of thing to which I take very strong exception. No province in this country had any intimation, as against information other provinces would have, with regard to what was to be done in respect of the restrictions made on the supply or sale of alcoholic beverages. It is the endeavour in certain quarters, every now and then to create a certain prejudice against both the government and Quebec, by referring to Quebec as though in some way it had been specially favoured, which makes difficulty in the country. I hope it will not be repeated. Perhaps what I have said to-day, or rather what the government has done to-day, may in that regard remove one of the possibilities of further repetition.

Mr. BLACKMORE: I think the Prime Minister will grant that when government officials have a certain view, it is a very good thing to give open expression to that view, so that the matter may be cleared up.

Mr. MACKENZIE KING: Yes.

Mr. BLACKMORE: I think the Prime Minister will agree that Mr. Low is perfectly

frank. If he does not understand correctly, the matter can be taken up with him.

Mr. MACKENZIE KING: That is right.

Motion agreed to and the house went into committee of supply, Mr. McCann in the chair.

DEPARTMENT OF FISHERIES

69. Departmental administration, $151,660.

Item stands.

DEPARTMENT OF LABOUR

100. Departmental administration, $387,318.

Item stands.

Progress reported.

INDUSTRIAL DEVELOPMENT BANK

PROVISION OF ADDITIONAL CREDIT FACILITIES FOR FIXED AND WORKING CAPITAL

The house resumed from Friday, March 10, consideration of the motion of the Minister of Finance for the second reading of bill No. 7, to incorporate the industrial development bank.

Mr. S. H. KNOWLES (Winnipeg North Centre): Mr. Speaker, I had not anticipated speaking again quite so soon, because I thought I had raised a subject on which other hon. members would be sure to speak, if given the opportunity. However, having moved the adjournment of this debate on Friday evening there are a few observations I should like to make.

Many hon. members who have spoken thus far in the debate have stated that they are prepared to support the principle of the bill, but that they have certain misgivings as to some of its details. My purpose in speaking is to state as clearly as I can the principle I am prepared to support in agreeing to its second reading. Then I should like to point out as clearly as I can the misgivings I have or, in other words, the reasons for my fear that the bill in its present form will not give full effect to the desirable principles upon which I believe it is based.

Before indicating what I believe to be the principles of the bill, may I say a word as to its effect? As I see it, the effect is to permit the Bank of Canada to engage in a function hitherto not allotted to it. It strikes me a certain amount of confusion has developed through the growing multiplicity of banking and financial institutions. In addition to the chartered banks in Canada we have the Bank of Canada. Now we are to have the industrial development bank; and the parliamentary assistant to the Minister of Finance has indicated that later on there will be something of a banking or financial nature for the assistance of agriculture and, later on perchance to assist in housing development.

This multiplicity is confusing; but needlessly so, for actually in all these banks or financial institutions of a government character we just have different functions of one banking and financial set-up. In other words, if these measures are put through we will have a government bank engaged in various functions. To my mind this confusion emphasizes the need of our establishing one nationally owned and publicly controlled banking system, as an instrument of a national investment policy.

I said I was going to try to state clearly what I believe to be the principle of the bill, and I am prompted to do so because I have heard many hon. members say they are supporting the principle, without defining the principle they are supporting. As I see it, the principle is that a public authority, under the control of the parliament of Canada, should have the say as to the kinds of activity in which at least a portion of industry will engage, or that there should be established a public authority under the control of the parliament of Canada with power to give effect to the necessary financial arrangements to make possible the kinds of industrial activity parliament regards as being socially desirable.

With that principle we in this group heartily agree. In fact we would point out that if to some extent we had not been acting upon that principle we would never have been able to achieve the vast production Canada has achieved during the course of the war. During the war years the government has stepped in and has effected the financial arrangement necessary to make possible, whether it was economic or otherwise, the production of aircraft, guns and tanks, and all the equipment necessary to fight a war. The government has taken the position that these things had to be produced. It has said that our man-power should be applied to our raw materials so as to bring about the greatest volume of war production. The job of the Minister of Finance (Mr. Ilsley) has been simply to effect the financial arrangements to make these things possible.

I repeat that we have had affirmed during the course of this war the carrying out of the principle that underlies, shall I say, or rather that is hidden in this bill, for incidentally that is one of my complaints, that while the principle is there it is almost smothered. We contend that without this principle we could not have achieved the vast volume of production which is to Canada's credit in the course

of this war, and that equally without this principle we cannot win the peace. By that I mean that without our setting up a public authority with power to decide in the name of the people the kind of industrial activity in which Canada is to engage we shall not be able to produce the vast quantities of peace-time civilian goods that we need to provide full employment and an adequate standard of living for our people in the post-war period.

Some have said during the course of this debate that we should not worry any more about the problem of production. It has been argued that that problem has been solved. I do not altogether agree. I believe the war has shown that we can solve the problem of production when we are faced with an all-powerful requirement which we are prepared to try to meet. But that does not mean that automatically when the war is over we shall go on producing in the volume in which we are producing at the present time. We shall be able to continue producing in such huge quantities after the war only if there is the same will to produce in these quantities, and only if we are prepared at that time to effect the necessary financial arrangements.

Therefore I contend that even as during the progress of the war the financial job of this government has been to effect the necessary financial arrangements to enable the production of war goods, so after the war parliament and the government through a public authority must continue to control the direction of investment, must continue to have a definite say as to the kind of things that industry is to produce.

It is also true, as others have pointed out in this debate and as I myself pointed out earlier to-day, that it is necessary to tackle the problem of distribution. We must not think we have solved the problem if we simply do something about the problem of production. We must also get purchasing power into the hands of all our people to enable them to purchase the goods they are capable of producing and are anxious to produce. And so, Mr. Speaker, I affirm my belief in this basic principle that the control of investment, the planning of investment, the effecting of financial arrangements so as to get the socially desirable goods produced is not only a good thing but terribly necessary to our welfare in the post-war period.

Oddly enough, the strongest objections to this principle, if I have heard aright, have come from Liberal members, who for the most part have contended that they were supporting the principle of this bill. They did not say that they were attacking the principle of the bill. They chose, however, to take this debate as an opportunity to attack some of the policies of this group, and in so doing they have attacked the principle of this bill. We have heard language such as this: We do not want our banking and financial institutions run by politicians, or by a government monopoly. I say frankly that I find it difficult to understand members of parliament rising in their places and complaining about politicians or speaking about governments doing their duty. If there are members of this house who feel that politics is not one of the highest forms of social effort and public service they can follow whatever course suits them, but for my part, not only is politics a very high endeavour, but I see it as the people doing their own business. The alternative to politics and the science of government, to democracy as we know it and as we in this group want to extend it, is control of our life economically and otherwise by a few. As matters now stand, there are many things that we politicians so-called, we who are engaged in politics and the science of government, control. We in this parliament have the say over such matters as war and peace, public health, taxation, housing, justice, labour relations and a whole host of other subjects which come before us during the course of the months that we are in session. Yet though it is felt that we in parliament are competent through the medium of politics and the science of government to control these things in the interests of the people as a whole, the minute the question of business and industry, the question of our economic life, is posed by some of us as a sphere in which the people's representatives should have a say, up goes the cry: Don't let the politicians get in there. It is a nice bit of phraseology to use, but it sidesteps the fact that the alternative is to allow a few people—we sometimes call them, and rightly, I think, a few big shots—to control things that are basic to the life of the country as a whole. I refer to our economic affairs, the arranging of our economic life, basic as it is to the amount of money the people will have to live on, to the amount of food they will have to eat and the kind of homes they will live in—everything relating to the life of our people. I suggest that economics, business and industry are just as important to our eleven or twelve million people as are the things which we recognize as matters with which this parliament is competent to deal—perhaps even more important, and I feel that if we are going to carry out the basic principles of democracy we should extend the control of the people into the whole sphere of economics and industry.

That is the reason I am in support of what I have tried to indicate is the principle of this bill, because it seems to me that this

principle calls for an extension of the idea that a public authority under the control of parliament should have the say as to the kind of things that industry is to produce. We feel in this group that industry should produce, not for profit to a few individuals, but the things that are socially desirable and necessary for the community as a whole. That is what we have been doing in the war. We have seen to it that there shall be effected the economic arrangements necessary for the producing of guns, planes and tanks, the setting up of air training schools on the bald prairie far away from city services of one kind and another, and so on. We have seen to it that these things are done because we felt it was for the good of the community as a whole, namely, for the defence of the country in this time of war.

Similarly, we feel that when peace comes we should have the power as a parliament, as a government, on behalf of the people to effect financially the production in industry of the things which are socially desirable for the community as a whole. I want to decry not only the kind of talk which deprecates governmental activity in the economic sphere, but also the charge that the sort of thing which is proposed in this bill is in any sense a form of dictatorship because the government would have some control over matters relating to industry and finance. It is dictatorship when the few are able to control industry, are able to control finance, are able to decide that funds will be invested where profit is to be made, say in luxury goods, rather than in goods which are socially necessary and desirable for the community as a whole. But when the people through their parliament, through their government, set up a public authority which decides in the interests of the people that socially desirable goods should be produced, that is not dictatorship, it is an extension of the principle of democracy which I feel is one of the things we are fighting for at the present time.

I said earlier that not only was I going to indicate what I believe to be the principle of this bill, and what I mean when I say that I am supporting the principle by agreeing to its second reading, but that I would try to point out what I regard as some of its weaknesses, some of the reasons for my fear that the bill in its present form will not give full effect to this very commendable principle.

First, there is the fact that the bill gives the industrial development bank, or shall I say, the industrial development wicket of the Bank of Canada, no power of issue. To my way of thinking, and as other hon. members who have spoken have pointed out, that is a serious shortcoming.

Secondly, I would point out that the amount of money to be provided under the terms of this bill for industrial development is hopelessly inadequate to meet the problem which it proposes to attack, namely, that of sufficient assistance in post-war production to maintain a high level of economic activity, a high level of industrial production. As hon. members know in general terms, there has been a tremendous increase in the value of our national production during the course of the war. According to an answer to questions by the hon. member for Vancouver East (Mr. MacInnis) to be found on *Hansard* of March 2, page 1,086, the gross value of our national production in 1938 was a little over $5,000,000,000. In 1943, according to information on the same page, the gross value of our national production was something over $10,000,000,000. In other words, from 1938, the last full year before the war, to 1943 our production has been doubled. If one had the figures to make a comparison between 1943 and 1933 I am sure one would find that the production had been trebled in that ten-year-period.

What was it that made possible the doubling of our national production from 1938 to 1943? There were a number of factors. The huge expenditures of the government in the purchase of war supplies and providing uniforms and pay and allowances and food and care for our people in uniform—all helped. Another factor which, I feel, was of importance was the amount of money which the governments of the United Kingdom and Canada made available by way of capital assistance to Canadian industry. I hold in my hand a copy of *Votes and Proceedings* of March 26 last year. It contains amongst other things a statement by the Minister of Munitions and Supply (Mr. Howe) as to the amount of capital assistance to Canadian industries by the British and Canadian governments up to December 31, 1942. I point out that that is quite a long time ago; I have not been able to get any figures later than these, but if such figures are available they will probably be a great deal larger than the figures I have here. According to the information from which I am quoting, the total capital assistance at that time amounted to $1,723,827,099. I suggest that that amount of seventeen hundred million dollars of capital assistance by governments to Canadian industries was a quite important factor in bringing about this level of production in 1943 of ten thousand million dollars.

It is admitted by hon. members on all sides of the house that one of our real jobs in the post-war period is to maintain the present level of production. That will involve a great

deal of changing over of plants from what they are doing now to other kinds of activity for peace-time needs. It will involve the building of new plants to meet other needs and provide for employment if we are to maintain this level of production. I point out that whereas it took more than $1,700,000,000 to do that only up to the end of 1942, the present bill provides the terribly inadequate figure of only $100,000,000. Thus, even if one takes into consideration all the additional money that the bank can get by the sale of bonds, debentures, et cetera, I point out that the present provision is only one seventeenth of the figure that I have quoted from the Minister of Munitions and Supply.

Another shortcoming of this bill as I see it is that it takes this very commendable and desirable principle of a public authority having something to say about effecting the financial arrangements which will make possible the producing of socially desirable goods, but introduces it only into one small end of our industrial setup, only into the end which is regarded as unprofitable and not capable of drawing investment from other sources. I hope, and that is my reason for giving support to the principle of this bill, that the day is not far distant when we shall extend the principle which is now being introduced into one small end of our industrial set up into the whole of our industrial picture, that we shall have a national financial setup, based upon principles of economic planning, to take the initiative and see to it that there is produced in Canada the kind of thing which is socially desirable, the kind of thing which is necessary to provide a high level of economic activity such as we have now and a high standard of living such as our people deserve in the post-war period.

Again, I feel about this bill that it to a large extent nullifies the principle which underlies it, by continuing the principle of interest, of huge debt which will be piled up and which, as I see it, will take away from the benefit that might otherwise be enjoyed from the principle of economic planning, the principle of a public authority effecting the necessary financial arrangements to provide for socially desirable production.

I am disturbed by the sections of the bill which provide for the continuance of the whole idea of private profit to be made out of this investment, even in this supposedly public authority, by virtue of the other seventy-five per cent of these assets which will be acquired through the sale of bonds and debentures.

[Mr. Knowles.]

I contend, therefore, that this bill in its present form, based though it is on a principle that is not only good but highly necessary in the post-war period, will fall so far short of realizing the potentialities involved in it that I dare to hope that in the committee a great many changes will be made in it. It is because this bill will not give full effect to the possibilities involved, and to the principle upon which it is based, that some of us have the fear that it is simply a case of borrowing a good principle but distorting its purpose from that of the total social good, to simply salvaging the present economic system. I submit that is not good enough in these times, and certainly it is not good enough for the post-war period.

Our job is not simply to try to buttress one system or another but to tackle the problem of replacing the four or five billion dollars' worth of war production in which we are engaged at the present time with four or five billions or even more per annum of peace-time production when the war is over. There is no time to lose. What we need is a nationally owned bank capable of doing this kind of thing. What we need is a broad investment policy, vested in a public authority under the control of parliament, with the power to effect financial arrangements so as to make possible the production of an additional four or five billions a year, or more, of peace-time goods.

In my opinion, as I have said, the principle underlying the bill is not only good but is terribly necessary for the post-war period, and I earnestly hope that when it goes to the committee changes will be made in it to bring that principle out from the restrictions which now all but smother it and to give fuller effect to its possibilities.

Mr. W. F. KUHL (Jasper-Edson): My colleagues the hon. member for Lethbridge (Mr. Blackmore) and the hon. member for Acadia (Mr. Quelch), I believe, adequately set forth the attitude of the social credit members toward this bill; consequently all I wish to do, in the few words I shall contribute this afternoon, is to refer to some of the fundamental economic principles that have been referred to by members on both sides of the house with regard to the principles and objectives involved in this bill.

This bill and others of a similar kind seem to me to be designed to stimulate production, the whole purpose being to increase the amount of goods we shall have available, and I think the remarks which were made by the

hon. member for Vancouver-Burrard (Mr. McGeer), in his excellent speech, with most of which I heartily agree, as well as some of the remarks made by other hon. members including the leader of the opposition (Mr. Graydon), should receive careful consideration. They stated that the real problem with which we shall be confronted in the post-war world will be one not so much of production as of ability to consume. When they drew attention to that fact they drew attention to what will be the real problem once we endeavour to revamp our peace-time economy.

That thought brings us back to some of the fundamental principles which I believe we shall have to keep in mind if we are to come to logical conclusions as to what we are going to do. I agree completely with the hon. member for Vancouver-Burrard and the leader of the opposition when they say that we shall have to tackle the problem of consumption or to devise ways and means to enable the people to consume the production of the country up to the limit of their desires to consume.

While I agree with the point of view expressed by these hon. gentlemen and by others as well, I did observe that they did not follow up their statements to indicate in what manner consumption could be stimulated to the point where people would be enabled to purchase all they produce. That is a conspicuous omission.

I wish to call attention again to the point which, in common with the members of my group, I have made repeatedly on the question of production. Those who are responsible for this bill—the Minister of Finance (Mr. Ilsley), if he is responsible, or the assistant to the minister, or any in the department responsible for it—seem to me to assume that all that needs to be done to have a balanced economy is to set up a business, to finance that business undertaking, to get it going, and automatically it will take care of itself, automatically purchasing power will come forth from that industry sufficient to enable the people to buy what they have produced. But that is the very point wherein the endeavour that will be made to carry out the objectives of the bill will fail, as it failed prior to the outbreak of the war.

As I have indicated again and again, what we have to reconcile ourselves to is the fact that no individual industry—and the same is true of all industry collectively—ever issues in the course of production an amount of purchasing power sufficient to buy back its own product. As the hon. member for Lethbridge pointed out in his speech, in the thirties, before the war broke out, we had no problem of production. There was nothing wrong with our ability to produce the goods we desired. We had, on every hand, goods of every type which the people had any desire to consume. Goods were there either actually or potentially, but what was lacking was effective demand in the hands of the people to buy the product.

The same situation will certainly obtain when once the war is over and the government is no longer the greatest purchaser of the products of industry. We shall again be back to the position where the value of the total production of consumable goods will be far in excess of the total amount of money which the people will have as a consequence of assisting in making that production. I believe that is an aspect of our economic system which certainly will have to be investigated by the committee when it studies the proposals in this bill, as well as any other of a similar nature which may be introduced later. I believe the members of this house must take this point into consideration, investigate it, draw their own conclusions on it and then act accordingly.

There is another angle that must be considered. I, as well as other members of my group, have referred to it again and again. It is stated that we must sustain our national income at a high level and provide full employment if we are to have a set of conditions to our liking. I do not wish to repeat all the arguments I have advanced in the past with regard to the question of full employment; but as long as the government or individuals in the opposition, or professors of economics outside of the house, or individuals anywhere, continue to contend that the purpose of the economic system is employment and jobs, I feel obliged to continue to raise objections to that idea and principle. The hon. member for Vancouver East (Mr. MacInnis) in speaking on this bill last Friday evening said, as he has done on many previous occasions along with others of his group, that private enterprise had failed to feed, clothe and shelter the people. Private enterprise is held responsible for providing jobs, for maintaining full employment, for keeping people at work. I think that is an issue which we shall have to discuss in this house more extensively than we have in the past. I consider it basic and fundamental. Thus far neither the government nor the opposition and many others throughout the nation have come to a logical conclusion as to the purposes of the economic system. I wish to reassert, as I have done on many previous occasions, that as long as we insist that the purpose of the economic system is to provide jobs rather than goods, we shall never solve

our problem. I repeat that it is not the purpose of private enterprise or government enterprise, if you wish, or enterprise of any kind, to find jobs. The only legitimate function of the economic system is to produce goods and to produce them abundantly. Our banking system and our banking policy should be aimed with that object in mind.

Mr. CASTLEDEN: How about distributing them?

Mr. KUHL: That is the real problem. That is the problem on which we ought to be concentrating our efforts. The orthodox economist holds that industry produces sufficient purchasing power through production to distribute its own goods. That is a false premise. I have placed the figures on the records in the past; I can do so again to-day. But it does not seem to make much difference whether one substantiates his contention with figures or not. They are not accepted. I am satisfied that if individuals, members of this house and all those interested in economics, will examine the balance sheet of any individual company, or examine the aggregate of the balance sheets of all companies, they will discover that industry is not self-liquidating and that, no matter how much production you have, the people are never able to buy the total product of industry with the purchasing power which is paid out in the course of the production. Therefore that leaves us to consider methods of accomplishing the distribution, which is a problem to which the leader of the opposition and the hon. member for Vancouver-Burrard pointed out, but indicated no way in which this could be achieved.

Mr. FAIR: John Bracken does not know.

Mr. KUHL: Therefore I say that instead of concentrating our efforts on devising legislation and concentrating our thoughts on amending legislation designed to stimulate production we ought to be concentrating our efforts on ways and means of stimulating consumption; for I am completely satisfied that if consumption is taken care of, production will automatically take care of itself. Take care of consumption and production will take care of itself.

In conclusion, I wish to remind the house once more that we shall reach no logical and sound conclusion as to how we shall bring about distribution unless we examine carefully the relationship of the income of the people to the value of the production which they are expected to buy. I wish to remind hon. members we shall also have to concentrate our attention on the question of the substitution of power machinery for human effort. I am perfectly convinced that we are not logical if we contend that we can have both jobs and machinery. We cannot have both. If we are to use the power machines, then we certainly must reduce the amount of man-hours on the work.

Mr. DOUGLAS (Weyburn): Or produce more goods and raise the standard of living.

Mr. KUHL: There is plenty produced as it is.

Mr. DOUGLAS (Weyburn): Oh, no.

Mr. KUHL: We are told that if we use the machinery of production that existed in 1929 it is capable of producing an income of $4,400 worth of consumable goods for every family of four in the United States; and that is without any additional plant equipment. That is certainly far in excess of what the people had been enjoying. Therefore I believe the matter of the constant technological displacement of human labour and the disparity between total income and total prices is something that will have to be taken into consideration when we consider trying to balance our economy by merely stimulating production through the use of a bank such as this bill contemplates.

Mr. J. M. TURNER (Springfield): I find myself in a difficult position this afternoon. The Prime Minister (Mr. Mackenzie King), having fixed up the beer business, has left me without a subject; nevertheless, I wish to say a few words about the proposed industrial bank. Along with many others in western Canada I have endeavoured from time to time to advance the idea of getting more equal distribution of the industrial business of this nation, particularly in western Canada. On more than one occasion in the past, when dealing with matters of finance, unemployment, relief and so on, we have emphasized this point. Last year in speaking on the budget, as recorded in *Hansard* for March 18, at page 1384, I said:

> I need not remind you, sir, because you have been here many years longer than I have, and I have heard it said many times in this chamber, that the west has asked time and time again for more factories, more industrial plants. I mention it now for this reason, that a committee has recently been set up here to study the problems of rehabilitation and reconstruction. Judging from the personnel of that committee, we shall have a progressive and worth-while report on the industrial needs and opportunities of western Canada which will be well studied by that committee. I would refer to the Defence Industries Limited plant near Transcona which is in my own riding; I do not want to see this plant closed down or salvaged

immediately after the war. The same can be said of many plants all through western Canada. I hope at least to have a chance to obtain for the constituency which I represent some plants for western Canada. In my opinion it would be a shame and a disgrace to see that fine plant, in which two or three thousand men are employed, shut down and those men thrown out of work at the end of the war. I wish to pay tribute to those men for the fine work they are doing in this war effort, because we must remember that they were taken from the villages, the municipalities and the country; that many of them never saw the inside of a plant before, and that they are doing a splendid job, and it is my pleasure to pay them this little tribute to-night. When the war is over, these men will have had these years of extra experience and be fully prepared and equipped to carry on in similar capacities after the war. Therefore I urge with all the strength I have that that part of western Canada be kept in mind by the committee and the government.

And later on:

There is something not quite right in regard to our western industrial set-up when one considers even casually the immense possibilities for industry in the prairie provinces. Consider it only from the point of view of natural resources; look at what we have to offer industries; coal, timber, oil, the natural gas of Alberta in untold quantities, thousands of units of unharnessed electrical power, minerals of all kinds, and in my own constituency that new chromium deposit now in the experimental stage. It is well advanced; I believe 200 tons have been shipped. If this proves successful, I understand this will be the biggest development in recent years in Manitoba. These are only a few of the many things we have to offer. We have two of the best equipped and managed railways in the world to take care of the needs of industry. Behind all that we have great agricultural production in all its branches, capable of supplying a population five or ten times, possibly fifteen times what we have now, with the finest food this world can produce. There is only one answer, more and more factories because, if you get the factories, you get the population.

As everyone in this house knows, Manitoba and Saskatchewan are now threatened with the loss of seven of their representatives in this parliament, owing mainly to the drift of population from the west to the east which has resulted from the heavy centralization of our war industries in the two eastern central provinces. I believe this measure will help to some extent to overcome that situation, if it is wisely administered and given a real chance to operate. It should also help to prevent large, wealthy corporations from controlling and monopolizing certain lines of industry to the detriment of the whole of Canada, by preventing special privileges of controlling the manufacture and distribution of certain goods in defined areas with no interference or competition whatever. The town of Beausejour, in my constituency, ran into a difficulty of this kind some years ago. They had a glass factory operating there which was the only industry in that town with the exception of a small brick plant. Naturally this glass factory started out in a small way, but gradually it grew larger. Winnipeg, being nearby, was the chief market for its product. It was not very long, however, before that industry was gobbled up by the big eastern interests. Not only was it closed down the week after that; it was torn down, throwing everybody out of work and forcing the people to buy glassware manufactured in other provinces, while acres of the best glass sand stand idle with a fence round them. The brick plant there also has been torn down. If this act had been in operation at that time the town, in conjunction with some of its enterprising citizens, might have saved those industries. These incidents could be multiplied many times in western Canada. The west has starved for the need of capital. To give another instance, the Tyndall and Garson stone quarries, in my riding, from which the stone used in the interior of this beautiful building was quarried, have not been operating for about twelve years, and I should think this measure would encourage the reopening of those famous quarries. To illustrate how government and private enterprise can cooperate in establishing factories with genuine benefit to all, I should like to read what I said in this house on April 17, 1939, as reported in *Hansard* for that year at page 2860. Speaking about the establishment of a sugar-beet industry in western Canada, I said:

I turn now to the subject of sugar-beet and canning factories. Here also we have an opportunity to put many men to work. As I have said before in the house, the Manitoba government has already gone on record as backing the bonds of a sugar-beet factory to the extent of $600,000. I understand a sugar-beet factory will employ about fifty permanent employees, about 250 temporary employees, and also a great many more during the tending operations and at harvest time.

A few years later a group of enterprising, public-spirited Winnipeg business men took advantage of that offer and to-day we have near Winnipeg one of the finest sugar-beet factories in Canada. This is a great help to farmers, workers and consumers alike, particularly during a war period. After the war it will help to stabilize the price of that commodity in the area now served. In my opinion this industrial development bank is definitely a step in the right direction, though I think the $100,000,000 allotted is far too little for the demands that will be made upon it, particularly when we remember that the Canol oil project in the northwest territories has already cost the government of the United States well

over $130,000,000. However, I suppose we have to crawl before we can run; and since I believe the principle of the measure is right and sound, certainly I shall give it every support.

Mr. GORDON B. ISNOR (Halifax): Coming as I do from Halifax, Mr. Speaker, I feel that I should take part in this debate if for no other reason than to place on record the part which has been played by Halifax and the merchants of that city in the establishment of the banking system we now enjoy throughout Canada. I do not imagine that many hon. members are familiar with the background of the old Halifax Banking company, but I think we can claim that we have in Halifax the oldest bank building in Canada. In 1812 a building was erected which later housed the old Halifax Banking company, which was formed by a group of Halifax merchants headed by a Mr. Enos Collins. There the first so-called bank was incorporated and carried on for a number of years, until it was taken over by the Canadian Bank of Commerce, if I remember rightly, about 1903. Even after that the bank continued to operate in that building until it was moved to a large new building on George street, some years later. In connection with that bank I remember an incident which has been a topic of conversation in that city for many years. During a circus parade in Halifax thieves entered the bank and committed a robbery. I was inquiring of my colleague from Halifax (Mr. Macdonald) to-day, and he said he thought that robbery took place about fifty years ago. At that time the bank was in charge of Mr. H. A. Fleming, who was later with the bank of Nova Scotia and who recently passed to the great beyond. When one realizes that the Halifax Banking company was organized 132 years ago, or fifty-five years before confederation, he sees that we have a real background, so far as banking history is concerned.

Then there is another feature which I believe brings us in close contact with the present banking system. I refer to the number of men from eastern Canada who have played an important part in what we know as the "big four." Until quite recently we found at the head of the Royal bank Mr. M. W. Wilson, who was a native of Lunenburg. He was succeeded by Sydney Dobson, also a Nova Scotian, born in Sydney. We have at the head of the bank of Montreal a native of Nova Scotia, in the person of Mr. George W. Spinney, who was born at Yarmouth. Then, heading the bank of Commerce, as president and general manager is Mr. S. H. Logan, who was born at Debert, Nova Scotia. Then, heading the bank of Nova Scotia is Mr. J. A. McLeod, who is a maritimer.

Mr. BROOKS: New Brunswick.

Mr. ISNOR: Prince Edward Island, if I remember correctly.

I should like to add a word about the Royal Bank of Canada, one of our leading banks to-day. It may not be generally known that the Royal Bank of Canada was originally the Merchants Bank of Halifax, and operated under that name until taken over by the Royal bank. I mention these facts to show that Halifax is closely linked with our financial system. The banking system as we know it to-day began to develop some of the features of a central banking system very shortly after confederation. In 1868 dominion notes were issued as a central note issue. Then the Canadian Bankers' Association was established in 1900, its purpose being to effect greater co-operation in the issue of notes, in credit control and in various other ways. In 1913 a central gold reserve was established, and in 1923 rediscount facilities became a permanent feature of the banking system. Then, the last big step, as far as our banking is concerned, was the setting up of the Bank of Canada. This organization was established by legislation in 1934, and opened its doors for business in 1935.

We have about eleven so-called private banking institutions operating in Canada, with about 3,000 branches. I give this background of our private banking system and the number of branches because I intend to deal with that system, from the point of view of private enterprise, as against that advocated by hon. members sitting to the extreme left of Mr. Speaker. I refer particularly to the Cooperative Commonwealth Federation. I shall endeavour later in my speech to show that there is a definite place for both public and private ownership in our banking system.

As I have pointed out, we have 3,000 branch banks, extending from the Atlantic to the Pacific. Four of the larger banks have something like 2,000 branches, with the result that a merchant in the extreme east doing business with Quebec, Montreal, Toronto, Winnipeg or Vancouver may carry on his business operations without the least trouble. Goods may be purchased to-day, and the signing of a draft by the merchant two or three thousand miles away serves to carry out the business transaction.

I believe private ownership has a definite place in our social economy. I have taken that stand before, and I do not hesitate to repeat it to-day. True, so far as the chartered banks are concerned there has been a gradual lessening of note issue. This was brought about by the provisions of the legislation setting up the Bank of Canada, which provided for a

certain reduction each and every year. The result is a large drop in the note circulation of the chartered banks as compared with their circulation a few years ago.

These figures may serve to show the point I have in mind. In 1934 there were outstanding, belonging to the chartered banks, notes to the value of $135,537,793. In 1940 this amount had dropped to $91,134,378, and to-day, in 1943, it is down to $42,200,000. Perhaps in itself this is a good thing; but I contend that the facilities we enjoy under our present banking system—and I speak as a business man—are such as to give us the facilities and the necessary financial assistance to make possible the carrying on of our business, be it either large or small.

We are now discussing a measure having for its purpose the setting up of an industrial development bank. I am glad to note that practically every group in the house is in agreement with the general principle underlying its formation. So that there may be no misunderstanding as to my position may I point out at once that I am in favour of bringing such a bank into being. The only question in my mind is whether the term "bank" covers this type of institution as well as would the term "loan company." After all, the functions of this industrial bank will to a large extent be those of advancing loans. I am pleased to note that this institution will take care of loans such as would not be handled by the private banks. I have in mind those long-term borrowings which will be required to re-establish and reconvert plants to peace-time industries. I believe it is most necessary that we have an institution of this kind, and I am glad the government has taken steps to bring about its formation.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. ISNOR: Mr. Speaker, before the house rose at six o'clock I was discussing Bill No. 7, an act to incorporate the industrial development bank, and I had outlined Canada's banking system from the early days when a bank was first established in Halifax 132 years ago down through the years and referred to the facilities that were afforded by the eleven private banking institutions existing in Canada to-day, mentioning particularly the facilities extended by the bank branches extending from the Atlantic to the Pacific. I stated that I felt there was a definite place in our economic system for the private bank. I also stated and I feel that there is a definite place in our commercial life for a bank such as is proposed by this bill which has been introduced and explained in such an able manner by the parliamentary assistant to the Minister of Finance (Mr. Abbott). He outlined the bill in such a way as to make it clear to us all what facilities would be provided through the medium of this bank in our post-war development. He pointed out that on account of the reconversion of a large number of the present war plants to peace-time activity a bank such as this would be necessary because under our present banking system long-term loans are not made by the private banks today. He also outlined the objects of the bill, with which I shall deal in discussing the bill in a more detailed way and he stated what he felt were objects of a worth-while nature.

When I was dealing with the issue of bank notes, I mentioned that there had been a gradual reduction in the amount and number of bank notes in circulation after the establishment of the Bank of Canada, the reduction being from something like $135,000,000 to $42,000,000 at the present time.

I should like to point out in connection with our banking system extending over a period of 132 years, particularly to those members who sometimes question whether private enterprise has served this country properly, that during the past sixty years not a single dollar has been lost to any banknote holder in the dominion. That is an interesting fact which speaks well for the integrity of the banks and the experience of the men at their heads and the manner in which they have carried on this important branch of our financial and commercial life.

One feature of a bank's activities that we are apt sometimes to overlook is the great part which the banks have played in Canada's war effort. I do not know just what we would have done in Canada if we had not had a banking system such as we have extending from the Atlantic to the Pacific and serving every little hamlet and every district in our vast domain. The banks have played a very important part particularly in the victory loan campaigns, when they have placed their whole organization at the disposal of the Canadian government to serve the public in the best possible manner. The banks have taken orders for victory bonds, given information and advice to their customers as to the manner in which they should subscribe, and also have assisted them from time to time in financing their loans. Because of the experience and resources and organization of these banks I believe that thousands and thousands of people in this country invested in the

recent victory loan who would not otherwise have bought victory bonds, and in that way the banks have helped the war effort. They have also played an important part in selling war savings certificates, as well as in the larger effort of selling victory loan bonds.

The banks have also established branches in a large number of the camps throughout this country, thus making it possible for men in the armed forces to enjoy the same banking facilities that would be open to them in civilian life in the cities and towns. Many members of the armed services were thus able to purchase victory bonds.

From a commercial and business point of view the banks are also doing a great service. It does not matter whether one is in business in a large or small way. Once he has established his business connection he can go to the bank and arrange, after a purchase of goods, to accept a draft in payment of the goods with the least possible trouble. I do not know just what our commercial progress would have been had we not had at our disposal the banking facilities provided by the eleven private banks throughout Canada.

I stated and I wish to repeat that I am in favour of a banking system such as we have in Canada. I feel that it has served our commercial economy in a very, very satisfactory manner. I also feel that the Bank of Canada, established as it was not as a private bank but rather to regulate the activities of the chartered banks, has done excellent service. I also believe that the proposed industrial development bank or loan company, if you wish to call it that, will perform a very useful service in the post-war period.

I do not wish to discuss details, because we are now discussing the general principle of the bill and the details can be considered when the bill is taken up in committee clause by clause. I must say, however, that the objects of the bill as outlined by the parliamentary assistant to the Minister of Finance should in my opinion not only include loans for the purpose of building ships but, as was suggested by the hon. member for Queens-Lunenburg (Mr. Kinley), also provide means for their operation. I have particularly in mind, as no doubt the hon. member for Queens-Lunenburg had, the fishing fleets and the larger type of ship that operates on the Atlantic coast. Just as we provide funds for the carrying on of agricultural operations, I believe that funds should be made available by this new bank to assist the fishing industry to carry on its operations on both east and west coasts, thereby adding to the wealth of our dominion.

[Mr. Isnor.]

Dealing more particularly with the bill, I observe that the objective underlying the setting up of the bank is to make credit available to industrial enterprises, which means a business carrying on the manufacture, processing or refrigeration of any goods, wares and merchandise, or the building of ships or vessels, or the generating or distributing of electricity. That is a fairly wide scope, but I would commend to the thought of the parliamentary assistant that he should enlarge it so as to take care of the fishing industry.

I am in accord with the hon. member for Springfield (Mr. Turner) who, speaking before six o'clock, questioned the adequacy of the amount. The provisions of the bill call for a capitalization of $25,000,000, of which $10,000,000 is to be paid up, and three times the amount of $25,000,000 to be issued in the way of bonds, which would place at the disposal of the bank, if the capital is fully subscribed, something like $100,000,000. I am just a little concerned as to whether this bill will be sufficient to meet the requirements of our post-war era, because it has been stated time and time again that the purpose of the government is to ensure the provision of employment for all. It may be that $100,000,000 will be too small an amount, and I question whether it is wise to limit it to the figure mentioned in the bill.

There is another feature to which reference has been made by at least one other speaker; and although it may be regarded as a matter of detail to be considered by the committee, it is open to criticism whether, by there not being provided a ceiling or limit to loans, the full amount might not be taken up by fifty or one hundred large manufacturers, and thus many others who would like to take advantage of the provision would find that the amount provided for had already been taken up. I suggest that hon. members should consider that question when the bill reaches the committee stage.

There is one feature which I would draw to the particular attention of an hon. member who spoke the other evening. He said that the facilities provided in this bill are also provided by private banking institutions and that they can make long-term borrowings. I think it is definitely stated in the Bank Act that loans shall be of a liquid nature, and that no loan shall be made on real estate. I am pleased to note that in this measure, apart from long-term borrowings or loans, there is a definite provision for borrowing on real estate.

I recall the experience about twenty years ago of a young business man in Halifax, and I commend it to the notice of some hon. members who are continually talking against private enterprise and advocating public ownership—which, if there were only one bank, would be a monopoly in the truest sense. This young business man had beeen engaged in business in a certain building in Halifax. He found that the executors of the estate wished to dispose of that property, and a man came from Boston for the purpose of selling the building. Our business man heard about it and interviewed the representative of the executors. He procured a forty-eight hour option, and his next worry was as to where he was to get the money to purchase the building. He felt that, having learned the business and having earned, as he thought, the right to stay there, he should make every effort to maintain his stand in that particular section of the city. It was on a Friday, after banking hours, that he called on his banker and made a request for a certain amount of money. That particular bank manager could not see his way clear to advance the necessary funds. What did the young man do? He was a little disappointed for a few moments, until he realized that there were other banks which could be approached. The following morning he turned his attention to another banking institution and the necessary funds were made available from that source. Therefore I say that, with our eleven separate private banking institutions operating throughout Canada, any person who can present a good claim and has a clear background can obtain the assistance which will enable him, provided he has the ability, to make a success of his business. I contend that those who advocate doing away with our present banking system and embarking on a wholly publicly owned policy would do well to reflect upon the splendid record of our private banking institutions, which have carried on over the last 132 years.

Other features of this bill, Mr. Speaker, I should like to mention in passing. I have referred to long-term loans, which we do not have an opportunity to enjoy under our present system. I have referred to the amount of capital; I have mentioned the matter of the building of ships. I believe I have covered the main purposes of this measure. I believe in the principle as outlined in the bill, and that it will certainly help Canada to bring into effect post-war activities which should take care of the employment problem to a very large extent.

In closing, let me reiterate that I agree with those who favour a banking system such as we have to-day. I agree that there is a place for public ownership. But I am satisfied that, as we have competition between the Canadian National Railways and the Canadian Pacific Railway Company, between the privately-owned radio stations and the publicly-owned radio system, so we must have competition between the private banks and the public banks if we are to have that keen rivalry which makes for the maximum of efficiency.

Mr. J. R. MacNICOL (Davenport): Mr. Speaker, I can heartily endorse what the hon. member (Mr. Isnor) who has just taken his seat has said about the Canadian banking system. He paid it a well-deserved tribute. Our money is perfectly safe in the hands of the present banks throughout Canada. I endorse also what he said as he resumed his seat, that this proposed bank, if it carries out what I interpret from the bill to be its purpose, will to a large extent act as a competitor of the present banking system.

I am not on the banking and commerce committee, but if I were I would feel grateful to most, I should say all, of the members who have participated in this debate. I do not endorse what all of them have said, but I endorse a great deal, and so far as that which I do not endorse is concerned, if I were a member of the committee it would be like a watch-dog.

Most hon. members who have spoken have proceeded along two or three different lines. Some have made the burden of their remarks the fact, as they say, that the establishment of the bank would result in decentralization. I am afraid very few understand what decentralization would mean in business. For instance, how could you decentralize the steel company in Sydney, Nova Scotia? I do not think it could be done. When big manufacturing concerns are established they take into consideration all the factors—where the raw product comes from, where power is to be obtained, the market, and so on—and then they decide, with all these factors before them, exactly where to set up their business. I do not believe it would be possible to decentralize the Ontario hydro electric commission, because they produce vast quantities of power where a vast volume of water is obtainable. There are perhaps businesses that could be decentralized, but most folks talking about decentralization either have not had much experience in business or do not fully appreciate the ramifications of the term.

I am going to direct most of my remarks to the second section entitled "interpretation", and specifically, indeed almost wholly, to the words "generating or distributing of electricity is carried on". Much has been said in this

debate about starting business, and I believe that if the bank is properly operated it can serve a purpose in setting business in motion. However, one fundamental that lies at the bottom of any manufacturing business is power; so that in starting up businesses throughout the country I hope—at any rate I am going to interpret the measure in such a way as to warrant the hope—that this bank will permit of assistance to provincial governments or to private power companies to enable them to produce power on a large scale. If this is done throughout the country new businesses can be set up, and there should be thousands of them when the war is over, so that those who wish to invest money, including the bank itself, will at least have the fundamental, which is cheap power, to start with.

I am glad to say that in Ontario our great hydro electric power commission, of which we in this province are all proud, and to which the province owes in largest measure its great industrial development, is ready to take advantage of any business being offered where power is required.

Most hon. members know that not so long ago, last summer I believe it was, the DeCew falls power plant was opened in the Niagara peninsula. I do not know what would have happened to a great number of businesses had that power plant not been put in operation. If this bank does not provide for the production of power under this clause, then it will lose much of its possible use from my point of view. I repeat, I do not know what would have happened had it not been for the DeCew power plant.

What has happened recently in northwestern Ontario? An iron mine is to be put in operation. There was a power plant not far from the mine, on a river that had to be diverted. The water had to be allowed to go from its reservoir. I believe the plant was generating 10,000 horse-power. It belonged to the Ontario and Minnesota Pulp and Paper Company, which was a power-producing concern also. Fortunately the Ontario hydro electric commission was able to purchase the immediate power rights of the concern by being able to deliver 10,000 horse-power to the said company by merely installing one more generator on the Nipigon river at Alexander Falls.

I should like to see other provinces placed in the same position. I am one of those who believe that the more business there is in a province, the more manufacturing companies that are set up in that province, the better it will be for all the other provinces. I cannot for a moment subscribe to the assertion that by advocating, as I do, the production of power in other provinces and the introduction of more business in those provinces, this will take business away from Ontario. I believe that, on the contrary, it would greatly increase the business activities of Ontario. I want to be in a position, therefore, to help other provinces to get on their feet, as in these two instances I have mentioned.

The Ontario hydro electric commission at the moment is developing, from its own plants, 1,630,000 horse-power. That is a large volume of power to be developed by a power commission belonging to a province. It buys another 910,000 horse-power. It has, therefore, under its control a total of 2,540,000 horse-power, so that it is in a position to take advantage of the supply of power to companies wishing to start up if the bank will advance the money. Outside Quebec, what other province is in that position? Quebec has a great deal of power which is produced cheaply. I should like to see the maritime provinces enabled to deliver power in large blocks and cheaply, and if the province of New Brunswick, for example, is not able to do this from its power plant on the St. John river at Grand Falls, I should like to know why it is not. Perhaps this bank might come to the rescue of whoever controls that power plant at Grand Falls by bringing about some agreement with our cousins to the south so that the head waters of the St. John river could be stored in reservoirs to provide a large source of power. If that were done New Brunswick would have more cheap power and on a larger scale, and many industries could be started in that province. So far as the Petitcodiac power potentiality is concerned, I do not know what development could take place there. That is a tidal proposal which has been mentioned for many years. I do not know of any tidal electric power plant of any magnitude anywhere. I believe there is a small one in Nova Scotia, but what I am thinking of is a large plant that could deliver large volumes of power, and if Petitcodiac can be developed, so much the better.

Those who have been observing the advertisements of the Ontario hydro electric commission will know that they are right up to the minute in preparations for delivering vast volumes of cheap power and circulating it throughout the province. They have at present 120,000 users in rural communities, of whom 65,000 are farmers. That places the farmers in a position to enter into many little industries in the rural areas to make material they could sell. Why should not every other province be placed in the same position with regard to cheap power? I con-

tend they should be. This bank may enable them or their power commissions to get into that position. I hope it will. They will then be in a position to start thousands and thousands of businesses, which they could not start in any other way; because anybody entering into a business wants to know, first, the cost of power; second, where are the raw products; third, where are the markets and fourth, where can the operators be obtained to work the plants, big or small? Ontario is in that position. The Ontario hydro electric power commission is in a position to deliver any amount of power to thousands of small businesses which I hope will start up as a result, not particularly of the amount of money mentioned in this bill, because I take that only as a start. If $100,000,000 can be voted this year there is no reason why the bank could not expand and be voted another $100,000,000 next year, and continue in that way from one year to another. After all, $100,000,000 will not go very far in thousands of industries. We have to be in a position to have thousands of industries to take care of our great heroes when they come back from overseas.

The Ontario hydro electric power commission has cut down the price of power delivered to the farmers until to-day a farmer can buy 420 kilowatt hours in three months for $10.68. In some of the small communities many people will be able to operate a one-eighth horse-power motor, or a one-quarter horse-power motor, or a one-half horse-power motor and make many things and be monarchs of all they survey. There are dozens of people, with many of whom I am acquainted, who make things and sell many small products to the big stores and others throughout Canada. There is no reason why we should not have thousands of new industries established throughout the country, but we must first have cheap power. Ontario is in a position to increase its power production very rapidly to a very large volume. It could increase it another million. There is a plant about to be established on the Ottawa river, not far from here—the name has slipped my mind for the moment—where they are making preparations to produce another 400,000 horse-power. At many other points Ontario is in a position to do that. That is in addition to the proposed development of 1,000,000 horse-power on the St. Lawrence waterways. I hope that is carried through. It will mean that 1,000,000 horse-power in the international section of the St. Lawrence is developed for us and 1,000,000 horse-power for the United States; I am glad to see that the President of the United States is moving in that direction. When that is done everything will be electrified and electricity will come into its own as never before. I am convinced it will provide hundreds of thousands of jobs. There is nothing like it.

I wish to say a word about our western provinces. I have a very warm feeling for the western provinces. I want to see them get on their feet in the power production field. The province of Manitoba uses at the present time about 395,000 horse-power and has a surplus of 25,700 horse-power. As I said a few moments ago, under the hydro electric power commission Ontario is producing and buying 2,540,000 horse-power. Manitoba has only a small part of what we produce here, but they can have a lot more power in Manitoba. They can produce it cheaply. I hope this bank will be so organized that if the Manitoba hydro power commission wishes to get some of this money to create more cheap power it will be able to get it. In any event, if it does, the bank's money will be safe.

To-day Manitoba has a surplus of about 25,700 horse-power; that is a total of 420,700 horse-power. That surplus would not much more than serve the little plant which was recently started in northwest Ontario. It would supply sufficient power for such iron mines and so forth. If Manitoba were called upon to supply 30,000 horse-power to develop more mines—and they have lots of mineral resources to start with—they would require more power. They have ample opportunity to generate it. There is a splendid falls in the northern part of your province, Mr. Speaker, on the Nelson river. It is called White Mud falls and is down river east of lake Winnipeg where the river drops about thirty-five feet, and where the volume is about 35,000 cubic feet per second. It could be easily harnessed. There would be no difficulty in developing a power plant there. The minimum capacity of that plant would be over 100,000 horse-power. The maximum would be two or three times that. If the level of lake Winnipeg were raised by a dam on the Nelson river it would be still more. If a power plant were established there it would in time open up scores and scores of industries in that part of Manitoba which is overflowing with natural resources. These resources are waiting for cheap power.

If this bank can advance money to the Manitoba power commission under this clause to make more power and cheaper power available, it would be a fine thing for Manitoba, would it not? That province is now proposing to go into the electrification of farms. I hope it does. I have recently read that the government of Manitoba proposes within a period of —I am not sure how long the programme is—

ten years to electrify 30,000 farms. The Ontario power comission has a programme in mind to spend $6,000,000 for the further extension of power in this province. That will result immediately in orders to the electric equipment companies in Ontario and elsewhere up to the amount of $4,000,000. That will mean a lot of employment in electric manufacturing plants in Ontario, apart from the provision of cheap light and power to farms for grinding their fodder, and it will increase the possibility of enlarging the stock population and so forth. If this bank can do for Manitoba what we have been able to do in Ontario, so much the better for Ontario as well as for Manitoba, because every additional thousand dollars made in Manitoba means more business for Canada from Victoria to Halifax.

I wish to say a word or two about Saskatchewan. This is one province that certainly deserves the help and support of this bank, and I now have in mind what was said by two or three speakers who preceded me about the industrialization of Saskatchewan. There are two or three things that can encourage industrialization in that province. Saskatchewan should be industrialized; but what chance has that fine city of Regina and that fine city of Moose Jaw to secure their due of industries? If you ask me why, I shall say the lack of water. There are scores of fine industries that would like to start in those cities, but they cannot start because there is no water for industries requiring large quantities of water. They have hardly enough there to supply their domestic needs, quite apart from the vast quantities that are used in many industries. I shall not take the time of the house to name industries. Perhaps the hon. members know them. But there are many of them. I hope this bank will come forward and help the province of Saskatchewan and help the cities on the plains to get water. If the bank can help provide water for them and at the same time provide power, they will revolutionize the whole centre of that province.

Mr. McNIVEN: I wonder if the hon. member for Davenport would permit me. I appreciate very much everything he has said and done for the province of Saskatchewan, but I must point out to him that over a period of some thirty-five years the city of Regina has never been short of water. We have been short of other things, but not water.

Mr. MacNICOL: I thank my hon. friend for his interjection, but all I can tell him is that if he bases his interjection on what I was saying about water for water-requiring industries, then he does not know what he is talking about. The same applies to Moose Jaw. If anyone says they have enough water in Moose Jaw to take care of a large number of industries that might go in there and require water, he would not know what he was talking about. I am sorry to say that to my hon. friend because before I came down to the chamber tonight, I read a statement made by one of the great power men in Saskatchewan, intimating this very thing, the lack of water in both Regina and Moose Jaw—in large quantities, I mean, for manufacturing. Why, Mr. Speaker, what was the hon. gentleman talking about? If he knows the water requirements at Moose Jaw he knows that the total average volume may reach as high as 1,500,000 gallons a day, for a city of 26,000.

Mr. McNIVEN: I was speaking of my own city of Regina.

Mr. MacNICOL: Let me finish; I can see that the hon. gentleman does not know anything about it, and I am too fond of him to expose him. I do not rise in my place to talk about things on which I am not thoroughly posted, particularly when it comes to water and electricity. I hope that when this bank is organized it will come to the rescue of both those cities and provide water in large quantities, not only for domestic purposes, about which my hon. friend may be talking, but for scores of factories, which require almost as much water as a city requires for domestic use. Saskatchewan can have power; it can get it in large volume in three places, and I hope this bank will rally to the support of the Saskatchewan power commission. Only to-day I had a letter from that commission, and I can tell my hon. friend that the total production in Saskatchewan at the present time is 125,000 horse-power. I am sure he will not rise in his place and say that is what it should be. I should like to see it a million and a quarter horse-power and some day, if I have my way, Saskatchewan will have that much, because it can be produced at many places. It can be produced at Fort a la Corne, on the Saskatchewan river, where I spent a good deal of time surveying, going down to the river over a very steep and difficult way. When I am on a survey I let nothing block me, so that when I come back I know what I am talking about. I am not so sure about the power that can be produced on the south branch, near Saskatchewan Landing; I am not sure that the foundations have been found there, though they have been found at Fort a la Corne. If they can be found near Saskatchewan Landing they will have a large volume of hydro-electric power at the northern end of the province, a large volume at the southern

end, and they can have a good deal of power developed at Estevan. Therefore I do not see why this bank would not rally to the support of whoever produces power at Estevan, where they are getting about 10,000 horse-power private and public to-day but where they should be getting 50,000 horse-power, so that the farmers of Saskatchewan could have electric power also. Only 140 farmers in that whole province receive electricity from the power commission to-day. Of course many farmers have Delco plants, but no Delco plant can produce power as cheaply as hydro-electric power can be produced.

I am glad the Minister of Agriculture (Mr. Gardiner) is in his seat, because I know he has a warm feeling for Saskatchewan. If the time comes when this government decides to aid the western provinces, particularly Saskatchewan, in producing power, I hope they will absorb the cost of the lines required to connect up the present power plants at Moose Jaw, Regina, Prince Albert, Saskatoon, Estevan and Battleford. The production at Regina to-day is 40,000 kilowatt hours; if that is divided by ·746, it gives 53,000 horse-power, and that is the maximum for that city. Moose Jaw has about 20,000 kilowatt hours; Saskatoon has about the same. The fine city of Prince Albert, where the hon. member for Lake Centre (Mr. Diefenbaker) resides, has 5,000 horse-power, while Battleford and Estevan each have 3,500 horse-power. All these systems should be connected. To-day in Ontario the hydro electric commission is eliminating costs all the time because it wants to encourage a vast increase in manufacturing in this province. Although the cost of power is low to-day, before they finish what they are doing it may be a good deal lower, and the other provinces should have the same opportunity.

As far as Alberta is concerned, I hope this bank will lend its assistance to such projects as the irrigation scheme of the Canada Land and Irrigation company. If they could be lent, say $4,000,000—and it need not be given to them in one year, because they might not be able to do all the work in one year—distributed over two or three or four years, we would be doing a great service to eastern Alberta, because that would bring irrigation right up to the suburbs of Medicine Hat. These are some of the things for which I believe this bank could be used. These enterprises cannot get money to-day, and of course I am not blaming the ordinary banks for that, because they have your money and mine in their vaults and they are not permitted just to hand out large sums here, there and everywhere. That can be done by this proposed bank, however; that is its purpose, to develop business; and if the Canada Land and Irrigation Company could be lent $4,000,000, in the long run it would not cost the country anything; you would get your money back again, and in the meantime you would do a great service. As to British Columbia, they have a great volume of electric power out there, or could have it. There are falls in that province which can be harnessed easily to produce a large quantity of cheap horse-power. If they did that perhaps they would be able to develop iron mines, just as Ontario is doing at Steep Rock, in the northwestern part of the province.

Here is the way I feel about this bank. I am not arguing as to whether it has or has not value; I am accepting it in good faith that the government's intentions are to give the bank power to assist in the creation of many new industries. If that is one of its purposes my support will not have been in vain . I believe we shall have to do something, because even in the midst of war every other country is preparing for the peace. Even the Japanese are beginning to get ready to capture the markets they have lost. I remember very well what they did in England before the present war began, because I made a careful survey there to find out how they had been able to build up so many thousands of small enterprises all over the country. Outside London at a place call Slough, I think it was called, they had over five hundred new industries; northeast of London they had another five hundred, and southeast of London another five hundred more or less. Then outside Manchester they built up another great industrial area. How was it done? By insisting that the material exported to the continent under their trade agreements with European countries should have at least fifty per cent British content and by cheapening power. One result was that many small plants had to move from Canada to England. I visited quite a number of those plants myself; many of them began in a very small way, but by the time war broke out some of those little factories had grown to quite a size. One small firm in my own riding, making valves, went over there first with a staff of fifteen, but when I saw them they had a staff of about 250. That is what we must do in Canada; we must use all our ingenuity to build business and give men jobs. If we do so, there will not be any depression after the war, and the people of Saskatchewan, Alberta and Manitoba will be in an infinitely better position than they are in to-day if they can get chceap power, and small industry to develop their own products. At the present time they must ship their goods in order to have them pro-

cessed. Many of those goods could be processed out there, and freight would be saved on the finished products, with the result that they would cost less.

What would be the result? It would be as it should be, namely that articles would be available at much lower cost. I was in business, and the objective at all times was to produce the best materials at the lowest possible price. We tried always to turn out the finest grade of material at the lowest cost. Only in that way was a huge plant built up, a plant growing from only a few men to many hundreds of men. I know of no other way of building a business. Make a good product and make it as cheaply as you can. If we can do that in Canada after the war with the help of this bank and the other financial institutions and our own standard banks—because I will not go back on them; they have given yeoman service all through the years, without loss of money to our people—what will be the result? Men will be working everywhere. Women will be working everywhere. Homes will have electric washing machines, electric radios, electric irons, electric this and electric that, and there will be jobs all along the line.

Why should the people not have these appliances? Why should they not have the use of electric equipment? Why should only 140 farmers in Saskatchewan have the advantage of electric power? In Ontario there are 65,000 who have that advantage, and another number of thousands who are about ready to receive this advantage from the hydro electric power commission.

If this bank does anything to supplement the work of the standard banks in the creation of a large number of industries, by assisting wherever necessary in the production of cheap power, it will have done a fine job and will be worthy of the support it is receiving generally throughout the house.

Mr. LIONEL BERTRAND (Terrebonne): Mr. Speaker, I will make only a few remarks concerning this bill. As the representative of a constituency which will have to face many problems after the war, I cannot permit this occasion to go by without stating that I approve the principle of this industrial development bank.

The county of Terrebonne is one of the most industrialized rural counties of the province of Quebec. There are at least twenty very important industries whose products are sold not only in this country, but also on foreign markets. As many factories manufacture for local or national needs. Furthermore, the plants of Defence Industries Limited, at Bouchard, are located within the limits of my county.

When the war is over, these war factories must be transformed into peace factories. These war plants may be handed over to powerful organizations which will dispose of capital sufficient to assure their transformation. If these companies, however, in order to balance their production, need additional capital, the industrial development bank will be in a position to help them. It is also quite possible that a plant like that at Bouchard, the proportions of which are immense and which has on its property an immense system of roads, railways, aqueducts and sewers, and even a fire protection service, may be granted by sections to a series of small or medium industries which would form, with a common pool of commodities, an altogether ideal manufacturing centre. In such event, the industrial development bank, which will have $100,000,000 at its disposal, will be very useful to give industrial concerns, whether new or previously existing, additional funds for their expansion.

A number of small and medium industries, actually in operation in Canada, will have to face post-war problems. Most of them, the normal production of which was curtailed by the war and its restrictions, will have to re-establish, after the war, a standard of production which was quite upset. Owing to a fairly extended period of slow production; owing to the enormous taxes which they have paid and to overhead costs which are not recovered through adequate revenues; owing also to the fact that they must buy more modern machinery, many firms will be obliged to contract loans extending over rather long periods of time. If the government also favours small concerns, it will be well. In our country, the smaller industry plays a part which one cannot neglect. During the depression, the towns which had small varied industries were in a position to pass through this period with greater ease than those which had but one or two large concerns. This does not mean that we have to neglect the larger firms in their legitimate requirements, but it is befitting that special care be taken of the smaller industries. They are a vital element in our economic life, first, owing to the employment which they afford and, second, owing to the aid they give to general production.

I appreciate the cooperation given to industry by the chartered banks, but their loans are usually granted only on short terms. The industrial development bank will grant long-term loans, and this will be a new and profit-

able accommodation for industry. But the industrial development bank does not take the place of the chartered banks. The latter will also be able to grant loans. This bank simply completes the activities of our banking institutions and does not harm them. The loans which it will grant to concerns offering sound guarantees will be intended to develop industry. When industry is successful there is work, and work ensures the success of the labouring class. A bill which makes $100,000,000 available to help industry to recuperate, to help smaller industry to make better progress after the war period which undoubtedly will have dealt it rough blows, to transform war industries into peace plants and to give financial help to the companies concerned is one which embodies an interesting innovation. I should have liked it to include agriculture also, which lies at the very basis of our general economy. I should have also liked it to include a plan whereby ownership would have been rendered easier for the labourer. It was stated that the government has additional measures in these two domains, and I am quite glad of that. For the moment the question relates to a measure intended to increase the level of production, which also means an assurance to labour. I am in favour of the bill, since its object is to help the labouring classes by securing work for them, and since it also intends to foster private enterprise. Too much will never be done in this respect. Nationalization would be disastrous for the country, and furthermore, for the worker. Private enterprise is the foundation-stone of all true democracy. It is the duty of Canada to sustain it

Mr. J. A. ROSS (Souris): Mr. Speaker, I desire to offer a few observations on this bill to establish the proposed industrial development bank. May I first refer to the preamble, which says:

> Whereas it is desirable to establish an industrial development bank to promote the economic welfare of Canada by increasing the effectiveness of monetary action through ensuring the availability of credit to industrial enterprise which may reasonably be expected to prove successful if a high level of national income and employment is maintained, by supplementing the activities of other lenders and by providing capital assistance to industry with particular consideration to the financing problems of small enterprise.

As I go through the definitions I can find none that defines what may constitute a small enterprise. Nor is there any limit set on individual loans. I wonder if the real thought in setting up this proposed bank may not be to transfer existing government-owned plants to corporations as the war ends. If that is the case, I do not believe that it will meet with the wishes of the great majority of the citizens of Canada. According to the "Canada Year Book" for 1940, in the year 1938 just before the war, in the two provinces of Ontario and Quebec were centred eighty per cent of the industries of the dominion. There was invested in manufacturing industry in these two provinces some $2,096,000,000. We are told that this was due to geography, the proximity of Canada to the United States, and such like reasons. In British Columbia there was 6·8 per cent of the industry of Canada; in Manitoba, 3·9 per cent; in the provinces of New Brunswick, Nova Scotia, Prince Edward Island, Saskatchewan and Alberta, there was less than nine per cent of all the industry of the whole dominion; and the maritime provinces had less than four per cent of the industry of the whole dominion. This situation has been greatly aggravated during these years of war by governmental action.

(And Mrs. Casselman having taken the Chair as Acting Speaker:)

May I be the first, Madame Speaker, to congratulate you on the distinction of being the first lady to occupy the Speaker's chair during the debates of this house.

In Canada we had in 1938 approximately a five billion dollar production, and in 1943 that had risen to approximately ten billion dollars. In other words, our production has been doubled during these war years. These facts should have a great bearing on the livelihood of our people at the present time. Many hundreds of millions of dollars have been advanced during the war to assist great industries. I think that over $1,700,000,000 has been advanced for industrial expansion alone, the very great bulk of it in the two central provinces, and this at a time when small industries have been gradually passing out of existence. It is interesting to note that in 1941, in comparison with 1940, small industries in every part of Canada received a lesser amount of the total business done by the nation as compared with the share of the larger industries. If I might be permitted to use some figures which my colleague the hon. member for Lake Centre (Mr. Diefenbaker) used the other day, in 1940 there were in Manitoba, out of a total number of 1,171 industries, 698 with production to a value of less than $25,000, and 130 with production valued at between $25,000 and $50,000. In Saskatchewan there were 814 industries, of which 592 produced under $25,000, and seventy-eight between $25,000 and $50,000. In Alberta there were 1,068 industries, of which 734 produced under $25,000, and 113 between $25,000 and $50,000. The over-all picture in Canada was that of 25,513 industries in 1940; in the first category there were 15,478, and in the second, 2,951.

I could quote many other figures along that line to emphasize the great disparity existing between our western and maritime provinces as compared with the industrial growth in the two central provinces. This trend has been going on all through the war years, and in my opinion this bill will not stop it.

The proposed legislation will not be of particular benefit to the small business man, nor will it enable the returned soldier to establish himself in business unless the type of business in which he may engage goes beyond the scope of this bill, which is limited to aiding industrial enterprises, the building of ships and the generating or distribution of electricity. I do not have to point out to members of this house that during these war years many operators of small businesses have been forced to close down, and I think they should be kept in mind when this bill is being discussed by the banking and commerce committee. The viewpoint of the United States with regard to small businesses and the recommendations that have been made there are, I think, of particular application to Canada. I quote:

> The broad back-bone of enterprise, that as production controls are relaxed particular care should be taken to protect the competitive positions of small business as far as practicable within the needs of the war. Cancellations of war contracts can be guided to permit the earliest releasing of small concerns which can convert back to peace-time production; also certain nuisance production controls involving only a limited amount of resources which press heavily on small concerns can be relaxed sooner than broader production controls.

The recommendations in the United States are:

> So far as war production is concerned the lending authorities should be restricted to the Smaller War Plants Corporation. For permanent risks which the banks cannot assume, the federal banking system should be given authority to make industrial loans.

The prairie provinces, and to a lesser degree the maritime provinces, have during the past four years been discriminated against or deliberately ignored in the development of war industry. There has been a tremendous exodus of people from the western provinces, many of whom I hope will desire to return.

This proposed legislation, if it is to be effective, must be made effective immediately. It must have teeth in it. When I view the situation in the three western provinces and the failure of the government to develop industry there during war time as it should have been, I fear for the future in the post-war period with respect to the use to which moneys will be placed by this corporation.

May I point out that in the three prairie provinces practically all of the flax seed in Canada is produced, some 17·6 million bushels out of a total production of 17·9 million bushels—practically all from the prairie provinces. Canada's sunflower seed crop is 17·9 million pounds, all of which is produced in the three prairie provinces. The oil cake derived therefrom as a by-product is required by the live stock producers of the prairie provinces both for their dairy cattle and for beef production. The greater part of the flax seed and other oil-producing seeds must now be shipped east for processing, and our producers pay transportation costs both ways, despite the difficult transportation problems which now prevail in this country.

The western provinces have not received consideration in the matter of the development of war plants during these years. In the last two years plants have been established at Hamilton and Toronto for the processing of oil seeds. I do not think I need remind hon. members that before anyone can establish a plant a permit must be procured from the federal authorities.

If our Canadian economy is to be built up on a basis of Canadian unity, there must be decentralization of industry. On many occasions I have raised in this chamber the question of grain alcohol and especially its use in these difficult times in the manufacture of synthetic rubber. Paul J. Kolochov, a Russian chemist, now chemical expert and technical counsellor to Joseph E. Seagram and Sons, of Louisville, Kentucky, has stated in the last few days that eighty per cent alcohol is now used in motors throughout Brazil. He also states that in this country there are great possibilities for the use of alcohol as a fuel for motors. Canada's most up-to-date synthetic rubber plant, at Sarnia, Ontario, has just been completed at a cost of some $48,000,000, and here petroleum products are used, despite the scarcity of these same products. Agricultural research will, I am convinced, develop many other possibilities in this line.

My colleague the hon. member for Davenport (Mr. MacNicol) spent much time in discussing the possibilities, not only in his native province of Ontario but throughout Canada, of the development of electrical power. While we realize how great that development has been in Ontario, I do not believe that either in respect of developing or the possibilities of developing power, we of the province of Manitoba on a per capita basis need to take second place even to the great province of Ontario. Manitoba has abundance of electrical power and power possibilities, the cheapest in North America to-day, and adjacent to raw materials. We have always been told in the past that industry must be

developed close to cheap power and raw materials, and assuming that to be true, I would point out that these are just what we have in Manitoba. The organization and development of industry on the prairies, and especially in Manitoba, in pursuance of the aims of this bill, would save a great deal in transportation costs and avoid many of the difficulties we are experiencing to-day, with relief and benefit to Canadian taxpayers in general. Canadian industry should and must be decentralized if we are to make Canada what it is capable of becoming.

I was pleased to hear from the parliamentary assistant to the minister that a little later a bill is to be introduced to provide for an agricultural bank. I am surprised that such a measure has not been presented to the house before the industrial bill, because I do not need to remind anyone of the difficulties which agriculturists have been through of recent years, and which many of them are still experiencing as a result of the controls imposed for the war effort. I believe it will be generally agreed that western farmers have had to pay too high rates of interest, running from seven to nine per cent. Because of the difficulties with which they have had to contend they have not been able to pay interest, let alone principal, and have undergone, in many cases, a meagre existence. It is important that when this bank is set up they should have the right to rediscount their present obligations. I trust this bank will receive funds, as do the chartered banks to-day, at approximately one and one-half per cent. Assuming they can do business for another one and one-half or two per cent, it should be possible for many farmers to have their obligations rewritten at a reduced rate, say three and one-half per cent, which I think is the rate provided for in the soldier settlement land scheme. That would mean a great deal to the agricultural producers of this country. The vast majority of them still need funds at a low rate of interest in order to procure farm implements. There is a tremendous backlog in this respect. Farm buildings are in a very bad state of repair. Also, farmers should be able to raise funds at a low rate of interest in order to build up a much better type of live stock than many of them have to-day.

I shall have much more to say on this matter when the measure dealing with agriculture is presented to the house. I trust there will also be a bill for better housing in Canada.

I hope that ex-service men and others will be assisted under this industrial development bank bill, and that it will not be made a means of further centralizing industry. As I have already pointed out, it should not be a means of turning over present government-owned agencies to private individuals or corporations. To do so will not meet the requirements of this country, and the bill should not be so used.

Mr. V. J. POTTIER (Shelburne-Yarmouth-Clare): I wish to say a few words, because there is one thing in this bill which above all pleases me and in my opinion meets a growing demand; that is the purpose, expressed in the preamble, to promote industry "by providing capital assistance to industry with particular consideration to the financing problems of small enterprises." Those two words, "small enterprises," are being heard more and more, perhaps too late, but it seems to me that if the struggle is continued it will result in benefiting this type of industry.

We have seen in Canada, unfortunately, of late, perhaps going back a decade or more, a centralization of industry brought about by attempts to freeze out small industry by large industry, also by large industries establishing themselves in the more populated centres. This has had the effect of centralizing industry in two ways. From the provincial point of view we find industry centralizing in the capital cities or the larger populated centres, the pull being in that direction; while from the dominion point of view we find industry being centralized—whether hon. members from the central provinces like it or not—more and more in the two provinces of Quebec and Ontario. At the same time industry has moved from the parts of the country remote from that area. It may be said that we have to expect that sort of thing, that geography comes into the picture, that transportation facilities bring that about, that cheap power is responsible for such a situation. That may be so, but another feature that must be considered is the credit that goes with centralization, the credit that is brought about by large organizations, interlocking directorates, the fact that they can obtain money and credit to develop their own industries. This tends to further centralization and a further enlarging of the big centres, while small industries have not that opportunity.

This is not the first occasion on which I have discussed the difficulties with which we are faced in the maritime provinces. In March and April, 1941, in connection with the shipbuilding industry, I indicated that we could obtain, and in fact had orders for our shipbuilding concerns, or for some of them at any rate, but that the credit was not available to enable them to proceed. Let me refer to some remarks I made on March 10, 1941,

when I pointed out that we could not build ships because we had not the credit to finance the undertaking. I quote:

> It is not a ship beyond their powers of construction of which they do not have the necessary mechanics or material.

The hon. member for York-Sunbury (Mr. Hanson) then observed:

> It was beyond their financial capacity.

I replied:

> Yes; the financial capacity was lacking.

Then I went on to show that they could not carry out the orders because they did not have the credit or finance. I repeated the same thing again in April in connection with the same industry. I refer to that as one of the developments which have taken place as the years have gone by, whereby orders could be obtained if we had the necessary finances to carry them out. The idea of helping small industries is an excellent one. I trust it will result in the establishment of such industries, because, if it does not, as far as I am concerned this bill will be meaningless; it will be of no assistance.

I hope that in some of the sections of the bill provision will be made for the fishing industry so as to bring that calling within the meaning of the words "industrial enterprise". I trust that when the bill goes before the committee this point will be made quite clear. One of the things I am afraid about in this bill is that if it does help small industry it will result in the further centralization of such industry in the larger centres. When the bill goes before the committee I hope this point will be given due consideration.

With a view to preventing the centralization of small industries in the two central provinces—because there is danger of that, seeing that our financial institutions to-day are so centralized, their head offices and larger branches being in those provinces—I suggest that if we are not careful this bank will become centralized and further small industries will be taken away from the maritime provinces and the western provinces as well. Therefore, to meet that situation, I suggest that consideration be given to the allotment of certain credits by areas. I believe that should be indicated in one way or another. Besides that, I suggest that administration be by regions and not from central headquarters as by the directors of the Bank of Canada at the present time.

If these points are not very carefully watched; if we do not approach the subject from the angle of regional allotments and regional administration, centralization will continue to the detriment of those areas of Canada lying on the outskirts of the two large provinces I have mentioned. In order to check that trend, there are certain considerations to be noted. There are energies that can be used to the advantage of the Canadian people. I am not suggesting that in some cases centralization is not necessary for the large industries. There are places for centralization, just as there are places for decentralization where the energy and the qualifications of individual effort can be made use of. That can be taken advantage of by a proper use of the provisions of this bill. If we take care of our small industries; if we encourage individual effort; if we promote small enterprise working in cooperation, in the country districts, with the small farmers, these two types of individual that go to make a healthy country, we shall bring about a new spirit and a new hope, and the people outside the large cities will find a new life and the Dominion of Canada will benefit thereby.

Mr. CLARENCE GILLIS (Cape Breton South): I have listened patiently for several days to this discussion. I had no desire to take part in it, and had someone else expressed my opinion I would not now be taking up the time of the house. However, I regard the measure which is at present before the house as one of the most important that will be discussed at this session. I realize that this bill, when it has been thoroughly discussed in this house, will go to the banking and commerce committee, and after carefully listening to the debate that has taken place so far I believe that the one man who in my opinion understands banking and the functions of money—I refer to the hon. member for Vancouver-Burrard (Mr. McGeer)—sounded a timely word of warning to the members of the house with regard to the job that this bank has to do and the shortcomings of the bill in its present form.

I will endeavour to provoke the thoughts of the banking and commerce committee along lines other than those I have heard discussed so far. A good deal of time has been taken up on this bill in criticism of what this group stands for, and so forth and so on. That has no relation to the particular measure, but I would say that when our hon. friends all around us hurl the kind of stuff that has been thrown over here during the last several days, it is a complete indication of the fact that they fail to recognize the seriousness and the responsibility of parliament in the present situation. It does not make very much difference what this small group thinks or advocates. We are here with a programme given to us by the membership of our organization

across Canada. They make that programme, and that programme reflects their thinking whether we like it or not. That is the road they desire us to travel, and the criticism that comes across the floor of the house does not apply to us. That criticism is being made against those who draft the programme. Hon. members should keep that in mind. That programme reflects the thinking of the Canadian people who are interested in this movement at the present time, and they make up a large body across Canada. Calling us names because we happen to represent those people will not change the situation one iota. Organized society is moving forward all the time. No organization in this house can have a static programme. The programme must be subject to change as changes are brought about in the economic structure. What someone in this organization said ten years ago or five years ago, does not make any difference to-day. If we have a democratic order of society, then it must be so arranged as to move forward in accordance with the thinking of the people and the developments of society itself. I am not going to waste any more time on that because it does not bother me. It merely demonstrates the fact that someone is not thinking when he wastes the time of the house on that kind of discussion.

I said I considered this bill perhaps one of the most important measures to come before the house. I do so for this reason, that it is, in my opinion, the first step that the government has taken in this field of social change as it pertains to the future. All our other measures have been merely along the lines we have been following for many years.

Mr. MARTIN: What about unemployment insurance?

Mr. GILLIS: Well, it is about fifty years late in Canada, but—

Mr. MARTIN: You said the first.

Mr. GILLIS: —it is a feeble step in the right direction.

Mr. BLACKMORE: Feeble is right.

Mr. GILLIS: I am not unmindful of the fact that practically every organization that has appeared before the reconstruction committee, which has been sitting for two years, has wound up its discussion on its post-war programme with one statement, namely, that this programme is contingent upon the government of Canada making available the necessary finances to carry it through. This is the first step that the government has taken with respect to the formation of some central organization that will have the authority to make funds available.

I am rather sceptical of the job that this particular bank is going to be able to do. To start with, the amount of money available will not do more than scratch the surface in a post-war programme. Second, I am afraid that the setting up of the industrial development bank in Ottawa with that amount of money appropriated, instead of being designed to do the job that has to be done in Canada in the post-war period, is merely a prop to a system that has already broken down. That is my opinion. While the chartered banks have the business of the large solidly organized and well financed industries of this country within their sphere, in the field of experiment where risk has to be taken the small industrial bank will be used to handle anything in the post-war period.

The banks and industries of this dominion are, in my opinion, one organization. They have interlocking directorates. Many of the large industries must requisition for their machinery to-day through the banks. When you talk about the chartered banks and the established industries you are talking about the one economic organization. They are practically all controlled by the same group. We must not forget that all our large well-established industries to-day were small struggling industries not many years ago. We did not have centralized banking in Canada many years ago. As was pointed out by the senior member for Halifax (Mr. Isnor), our centralized banks of to-day were small provincial banks years ago. They were functioning within their own spheres; but with the development of the merger idea where it is more economic to have the administration of a certain industry under one head, the octopus grew. The small industries in the various provinces were brought together, and finally there was centralized control in the two central provinces. Along with that was built up the necessary power to operate them. Therefore I do not place much stock in all this talk about establishing industry east and west. I know it is badly needed in my own province. The maritime provinces have been merely the overseers of the poor for the last thirty years, as far as industry is concerned. Where there is a large concentration of power, there you will have your industry under the present scheme of things, and that is in these two central provinces.

As I visualize the function of this bank, this is what is going to happen. The war is over and there are certain development risks to be taken in post-war reconstruction. A small amount of money will be made available to develop post-war products across Canada.

It cannot be very large. The money will be made available from this small central bank, sectionally. Small industries will be permitted to develop until the risk is gone and there is a market for the commodity. When there is no longer any risk, under the present legislation, both provincial and federal, the big fellow who has control of the field will reach out and take it under his arm. That has been the history. This bank is not going to change it, because it is not making a fundamental change in the system. The province of Nova Scotia is a very good example of it.

In 1940, I put figures on the record to show the number of banks we had in our province. I do not want to repeat the figures. I also enumerated the small industries that we had. The province was standing on its own feet both financially and industrially, but it all came into the central provinces because of the development of the system and the centralization of power into fewer and fewer hands. This bank is not going to change that. As small industries develop they will gradually find their way into this central organization. I visualize no changes.

I should like to call to the attention of the members of the house the fact that at the present time the Canadian people have an equity in Canadian industry to the extent of $800,000,000 in the form of plant, equipment, barracks and so forth. The people have not much control over it. A small committee, called the War Assets Corporation, has been selected and given the right to dispose of those assets. We have very little say in it. We are now definitely in the field of government ownership of industry. I think the Minister of Munitions and Supply (Mr. Howe) has gone a long way on that road. We must not forget that because we have a considerable investment in the industries of this country; whether it is to be protected or not in the interests of the people of Canada I am not prepared to say at the moment, but it is something we are going to watch very, very carefully.

I visualize no progress in the future in the kind of bank that we now propose to set up. I see no redress for the people. I wish to point this out definitely, because after a lot of thinking about it during my lifetime I became convinced of it. I am convinced that the cycle of the scheme of things as they are now has definitely turned. What we see at the present time is a dying system going out the hard way. I am convinced that the peoples of the world want a reorganized society to distribute the products of industry to the people on the basis of need. I am honestly convinced of that. I am also convinced that a certain transition must take place in order to bring about that result in a logical and democratic way. I do not think that transition will be made from the top. I do not visualize a time in the future when the state will be supreme in this country, nor do I believe the organization of state banks is the answer to the extension of a democratic order of society. If we are to make that transition it must come about through the people themselves, and in any new scheme of things that we may develop we should fully utilize the people and make them a part of it.

I should like to remind the house that the field of finance is not something new to the Canadian people. Some ten years ago, out of their neeeds, the people of Nova Scotia began to study this question; and from coast to coast in Canada to-day thousands of people are engaged in a movement which aims at establishing the credit of the people in the various communities across the country through the medium of that credit union movement. Thousands of people in study groups in my province have gone very carefully into these questions of finance and credit during the last ten years. There is a complete circle of credit unions through that province, and every province has them to-day. Instead of setting up a bank for the purpose of developing industrial and other projects in the post-war period, a state-controlled bank with power concentrated here in Ottawa, we should fully utilize the cooperative movement in Canada generally, and particularly the credit union movement that is in this field of credit and finance exclusively. We should be thinking of a central cooperative long-term loan and mortgage bank, set up in Ottawa, with the various credit unions across Canada making up the service organizations in the field. In addition, there are available a few million dollars which now stand as the surplus which has grown up in that movement, which is not permitted under present legislation to extend its activities into the field of long-term and mortgage credit. If we established something on the basis I have suggested, giving the credit unions across this country the right to go out and sell bonds, as is proposed under this bill, it would enable all the people to become shareholders in that bank. The credit unions would be enabled to become individual shareholders and directors of that central cooperative bank; and in the scheme of things to come, when small industries and community projects are under consideration, they could be developed by the people themselves, so that when they came into operation they would be owned and operated by the people, while any profits accruing would go

back to the people through the medium of their own organization. That is the incentive necessary to build a new Canada.

It is my suggestion that if you could plan your industrial set-up on this basis and keep it free from interference on the part of the large monopolies that now exist, in twenty-five years you would have a basis of comparison between private enterprise, operated for profit, and government-owned industry owned and operated by the people themselves in the fields where the actual work is performed, with control of their own finances. Then you would be able to see definitely which organization should guide Canada's destinies in the future. There is no need to tear things down or to quarrel among ourselves. We have had seventy-five years under the one system, and it has failed both in time of peace and in time of war, because the government had to take it over in war time in order to properly organize it so that we might make our maximum contribution. The test can be made in that way. Many times we wonder at the contribution Russia has made, but the answer is very simple. There are no employers or employees in Russia; the people work for themselves, and the entire country is the corporation for which they work. That is the incentive which made them fight as they did at Stalingrad, and that is the incentive we must build up in Canada, not as it was done in Russia but as I am trying to describe it now. The transition should be made through the medium of the machinery that we are setting up now; we have tried the other method and it will not work. To-day in Canada we have thousands of people who have studied finance the hard way; if I had time to put on record the funds now available through these credit unions I think it would be enlightening to most hon. members.

There is no other way in which it can be done; there is no other way in which society can be kept democratic, because we have definitely departed from the scheme of things as they were, and the development to-day is toward centralization, state control and ultimately the road to dictatorship. That is the accusation which is hurled across the chamber at us, but I want to tell you, Mr. Speaker, that not a group in this house is more alive to that particular development than the group in this corner, nor do I think anyone in Canada will fight harder against that kind of set-up. That is the trend to-day, whether or not we realize it, and there is only one way to offset it. When this bill goes to the banking and commerce committee, instead of any hurried decision on the matter I hope they will study the proposal I am now making in regard to the utilization of the Canadian people through the medium of their own financial organizations, which they have built up over a period of years to give themselves some say in the future scheme of things with respect to the reconstruction of Canada. It is worth trying. I am not afraid of that test; I know what the answer will be twenty-five years after it is made. Unless we realize that the test must be made in this way I am very much afraid of what is coming in the future. We kid ourselves about the international situation and all that kind of stuff. Anyone who follows the international situation at all carefully is fully aware of the fact that in the aftermath of this war we shall have our most serious struggles; and unless we are alive to the situation and utilize the brains of the people of this country in the reconstruction that must be carried on, in order that the people may have a large stake in it, we are not going to have a very nice time after the war is over.

I am not going to occupy any more of the time of the house, except to suggest that I see absolutely no hope in the proposal now under consideration. I recommend to the banking and commerce committee that instead of the bank now proposed, which is merely a palliative or a prop for something already fallen down, they consider the possibility of establishing a central long-term loan and mortgage bank for the cooperative movement in Canada, using as service organizations in the field the credit unions already established throughout the country. To raise the capital required it is only necessary to give that movement the same privilege the government is now giving this bank, the privilege of issuing bonds in denominations of $10 and $100. It will give all of us a chance to become part of that set-up. It will give the credit unions a chance to put their surplus into that bank. It will give those unions a medium through which they can become part of that board of directors. In my opinion, in the maritime provinces the only industry that will ever be developed is the industry developed by that kind of organization. There will never be any subsidiary industry in the maritimes under the set-up now proposed. The trend is just the reverse. They are closing things down already, in that part of the country. The Trenton plant, into which we put half a million dollars a few years ago, has already closed down. The Ferguson Brothers yards at Pictou have been pulled up and transferred to Montreal.

That is the present trend of things in the maritime provinces. But I am reasonably sure that if that cooperative movement in Nova Scotia had some assistance, and had the help of some legislation, it would develop industry.

I should like to say this, too, that whether we get assistance or not, we are going to do that in the aftermath of the war. The people of that province are going to develop their own industry and subsidiary industry after this war is over, and they will do it through the medium of that cooperative movement. It may be made much easier; it may be made national. Thousands of people have studied the matter in the last ten years—because it is not new; it is well grounded and ably led. This government could now utilize that organization across the country and give the people a stake in the aftermath of the war. That is something to work for, instead of having them watch the stock market, and wondering where they will be next week.

I strongly urge that the banking and commerce committee consider this proposal. I shall have more to say when the bill is considered section by section.

Mr. F. D. SHAW (Red Deer): Mr. Speaker, before bill No. 7, to incorporate the industrial development bank, is given second reading and referred to the committee on banking and commerce, for amendment and clarification, I wish to make a few observations. Part of what I shall say will have to do with the possibilities of the bank, with, as some suggest, its impossibilities, with its provisions, and again, as some suggest, with respect to its lack of provisions.

When the parliamentary assistant to the Minister of Finance introduced the bill on March 2 he said it was a part of the government's programme for maintaining a high level of employment, and also for the maintenance of a high level of national income. He said further that it is in the national interest to ensure that such additional financing as may be necessary and desirable will be available to industrial enterprise. I concur wholly in the remarks of the hon. member for Lethbridge (Mr. Blackmore), when he asserted a few days ago that it is of necessity imperative that we secure more information relative to the suggestion that the loans will be made where necessary and where desirable. A great deal will depend upon who determine the necessity and the desirability, and their method of arriving at conclusions.

Then the parliamentary assistant said that a purpose of the bank, further, would be that of filling the gap in our financial structure, and to ensure that adequate financing is forthcoming for desirable projects. For these reasons the government proposes to establish this bank. Here again I concur heartily in the remarks of the hon. member for Acadia (Mr. Quelch), who asserted that until such time as the necessary revision is made in The Bank Act it will be virtually impossible to ascertain the extent of the gap that may exist in the period of reconstruction following the war.

I regret intensely that our amendment to defer consideration of this measure until the banking and commerce committee has given consideration to the Bank Act was rejected by the house. Undoubtedly the purpose of introducing the measure to establish the industrial development bank arose as a consequence of the government's realization that probably a million and a half to two million people in Canada are vitally concerned and worried not a little about the possibilities of employment, proper income and related matters following the war. It has been said time and again in the house in recent weeks that we have approximately 1,200,000 employees in Canada who hold jobs which, in a sense, could be said to have been created by the government. They are jobs which did not exist prior to the war, and which may not exist following the cessation of hostilities. We know that approximately half a million employees in Canada are engaged in war enterprises such as shipbuilding, the manufacturing of aircraft and the like. It has been said that a certain number of them will be required in those industries after the war, and with that statement I agree. But it could hardly be said with any degree of certainty that more than ten per cent of those now employed in those industries will be employed in them during the period following the war.

Then we know, too, that in our mining industry, and in certain plants, such as chemical plants, production has increased by from four to ten times its normal extent because of war conditions, and also it is known that employment in those industries has increased in this time of war to the same degree. No matter what our programme may be after the war with respect to the mining industry or the chemical industry, it is hardly possible that the total number who are now employed in those industries will continue to be so employed after the war. It is also true that we have about 800,000 of our young people in the services. A good deal of faith has been placed in the measure enacted by parliament a year or so ago guaranteeing that under certain circumstances many persons who left employment to join the services will be guaranteed that their jobs will be waiting for them when the war is over. I suggest, however, that we should not at any time lose sight of the fact that many of those jobs which were

quite desirable prior to the outbreak of war may not be nearly as desirable when the war is over.

I may give as an illustration this fact, that hundreds, perhaps thousands, of the service personnel who were engaged in certain occupations where the salaries were comparatively low have now assumed the responsibilities of married life. Some of them now have two or three children. Jobs which paid $80 or $90 a month, and which, as I say, were satisfactory under the circumstances that prevailed when they joined the forces, will be entirely unsatisfactory when the war is over.

We see industries closing in certain parts of the country. The hon. member for Cape Breton South (Mr. Gillis) referred to the situation developing in Nova Scotia. In my own province of Alberta I know that much of the work in connection with the Alaska highway project in the north has come to an end and that many Canadians who were employed on that project are without employment. While a certain number of them have been absorbed into other industries, a great many of them have not. We are also informed that many of the aerodromes throughout the country are to be closed. In my own constituency there are two. We have an elementary flying training school, with approximately 240 civilian employees, a great many of them older men, men who will not be absorbed into other industries even during war time because of their age.

I think it is because of these things that the government has decided to take this one step at least at the present time, if for no other purpose than to allay the fears of many of our people. Speaking in this house the other day, the leader of the opposition (Mr. Graydon) said, as reported at page 1387 of *Hansard:*

> I do not, like some of our hon. friends in various parts of the house, pose as a financial expert. I speak strictly as a layman.

I hope the leader of the opposition does not assume that merely because we are so bold, if I may put it in that way, as to speak on a measure of this kind we are presuming to be financial experts. Speaking of that same thing, may I say that since I entered public life I have come in contact with a great many so-called experts and authorities, especially professing authorities and self-styled experts in the field of finance, production, distribution and allied subjects, and I have come to this conclusion, that so much contradictory advice and so many conflicting opinions have been given with respect to matters of finance, reconstruction, employment and unemployment, that success would seem to lie in a candid examination of the facts by men who are not professing to be experts, by men who are not hampered by certain preconceived theories. When it comes to a matter of this kind I think the best possible work we can perform is to devote our attention to it as laymen, not professing to be experts at all.

The bill is designed, we are told, to assist industry. Naturally one who comes from the west cannot but consider his own part of Canada in the light of secondary industry. I have at times come to the conclusion that secondary industry in western Canada, and I know this is also true of the maritimes, has definitely been sacrificed in the interests of central Canada. In Alberta, for instance, we have an abundance of power, in our coal, in our oil, in our natural gas and in our gasoline. I know, too, that we have many raw materials there which can be processed by secondary industry. My colleague, the hon. member for Lethbridge (Mr. Blackmore), who represents one of the great sheep-raising areas in western Canada, has time and again pointed out the possibilities for the woollen industry in that part of Canada. In the little town of Magrath in southern Alberta they are enjoying outstanding success in the manufacture of blankets and certain other woollen products. I know that clothing as well as blankets could be manufactured in that area. But we must have some encouragement naturally for the wool-growing industry and some certainty that the returns from the products thus manufactured will be reasonable. I know, too, that from the vast cattle ranges in that part of western Canada we can secure the leather necessary for the manufacture of shoes and other leather products. I know, too, from a bit of investigation, that we can develop in Alberta with signal success the paper industry, the furniture industry, also chinaware, pottery and tiles industries, the asphalt industry, a dyes industry, and other industries from the by-products of coal, also biscuits, cereals, glassware, canned goods, matches, brushes and so forth, and as the hon. member for Lethbridge says, also cement. I am not endeavouring by any means to cover the whole field, but just to give an idea of the possibilities.

I know it has often been said that in Alberta we lack iron deposits. I realize that thus far we have not been successful in locating iron deposits in the province; I am not going to say that they are not there. But the proximity and extent of our power resources would indicate to me that it would be just as sensible to ship iron ore out to Alberta to be manufactured, as it would be to ship our power to the source of the iron ore.

Before secondary industry can hope to thrive in western Canada, certain injustices must be removed. I think first of freight rates. In the city of Red Deer in my constituency we have a condensery, a very successful enterprise. I know that in 1938, the latest figure I have, canned milk shipped from Red Deer to Vancouver, a distance of approximately 800 miles, was shipped at a freight rate of ninety-eight cents per hundredweight, while canned milk was shipped from Tillsonburg, Ontario, to Vancouver at a freight rate of seventy-five cents per hundredweight. In other words, the condensery at Red Deer was endeavouring to compete with an industry in Ontario for the Vancouver market and paying a freight rate of twenty-three cents per hundredweight more than its Ontario competitor whose canned milk had to travel three times the distance.

Again, at Taber, in southern Alberta, we have a vegetable canning factory. That area, a good deal of which is under irrigation, is ideal for the growth of vegetables. Canned vegetables shipped out of Taber to the Vancouver market, a distance of 800 miles, were subject to a freight rate of $1.16 per hundredweight, while canned vegetables shipped from points as far east as Montreal to Vancouver, a distance of 2,877 miles, enjoyed a freight rate of seventy-five cents per hundredweight. There was a difference of forty-one cents in favour of the shipper from Montreal, 2,077 miles further away from the Vancouver market. Conditions of that kind, Mr. Speaker, must of necessity be given consideration and rectified.

There are other forces at work militating against the establishment of secondary industries in Alberta. The figures I have are not entirely up to date. I think we can consider them as applicable to the year 1938, and while there may be a difference at the present time we may well expect, if there are no changes, that we shall go back to those conditions following the war. Live cattle shipped at that time from Alberta to eastern Canada were shipped at the rate of $1.14 per hundredweight. If we had butchered our cattle there and had shipped the fresh meats the cost would have been $1.88, or we would have laboured under the penalty of an amount equal to 68 per cent. Let us go on. If we had shipped at that time four hundred boxes of Alberta butter from Edmonton to Toronto it would have cost us $762.82; that is less, of course, the icing charges. On the same weight of Ontario condensed milk, which of course is another dairy product, from Aylmer, Ontario, to Edmonton, a little longer distance, they would pay only $467.46, or a difference of approximately $300. That creates an extremely difficult situation for us who are engaged in the dairy industry in Alberta.

Then let us take lard and lard substitutes. Shipped from eastern Canada to a point in British Columbia, the rate at that time was one dollar per hundredweight, but from Alberta to British Columbia, a distance 2,000 miles less, the rate was 98 cents per hundredweight—practically the same rate, with a difference of 2,000 miles.

I am going to refer to just one or two others. I shall not read the whole list. On hides and edible tallow from Vancouver to eastern Canada the rate is $1.25 per hundredweight, but from Alberta—say Calgary or Edmonton—approximately 800 miles less, we pay a higher rate, namely $1.50 per hundredweight. What I am trying to point out is this—

Mr. SPEAKER: I would call the attention of the hon. gentleman to the fact that what he is quoting does not seem to have any relevancy to the bill. I should be glad to know just how he associates what he is discussing with the terms of the bill.

Mr. SHAW: I shall be very happy to try to establish the relevancy. We are discussing assistance which we hope will be granted to secondary industry in Canada. That assistance, since we are not told more definitely, may be granted in various forms. Some of it may go, if the proper thing is done, toward assisting us or subsidizing us, let us say, in connection with our freight rates, or may affect any one of a number of factors which enter into this matter. I trust, sir, that there is relevancy.

One other factor to which I should like to see some serious consideration given, and which finances from this bank may assist materially in meeting—I can only assume this since the bill is very indefinite—is in connection with the tariff.

Some hon. MEMBERS: Oh, oh.

Mr. SHAW: It may be remote.

Mr. SPEAKER: We are not dealing with tariffs in this bill. I do not think remarks of the hon. gentleman on that matter are relevant.

Mr. SHAW: I bow to your ruling, Mr. Speaker. However, the bill is so desperately indefinite that we may discover at a later date that it goes far beyond any point to which my imagination may have taken me. Anyway I shall refrain from that matter. I will say, however, that in my opinion it is extremely imperative that if assistance is to be given to secondary industry in Canada through this bank, such assistance, at least in part, shall go toward what has been called the decentraliza-

tion of industry. I believe it is an established fact that back about 1897—if I am in order in going back that far—industry in the central provinces, particularly Ontario, was having an extremely difficult time. I have here a newspaper clipping of 1907 which refers to this matter, and from which I shall quote only one or two short paragraphs. It states:

For a decade this problem—

That is referring to the west.

—was worse than ignored by a policy which plundered the western provinces while it strangled the opportunity for western settlement and development; and the result was reflected in the industrial and commercial paralysis of the dominion from sea to sea. Manufactures languished from lack of markets; mechanics, unable to obtain employment, tramped the streets of Ontario cities under the gruesome signal of starvation; foreign capital held aloof from the unpromising field, while thousands of Canadian-born fled to the United States to find the opportunities of livelihood denied them at home.

Then it refers to the change of policy, namely the opening up of western Canada, and in another short paragraph it notes the beneficial effects which this had brought to central Canada:

The marvel of the west is its productiveness, the inrush of population, most of all the consuming capacity, the consuming possibility of that population for manufactured goods of all kinds. The farmers of the west—

Remember that this applies, Mr. Speaker, to a period at the turn of the century.

—do not haggle over prices, they have the money to buy all kinds of things, and with their rapidly increasing numbers they can support an immense population in some other portion of the dominion better suited for industrial and manufacturing purposes.

Then in a short sentence it states that the central provinces are the parts of Canada particularly adapted to profit from this large increase in population on the prairies.

I read that simply for this purpose. I contend that when the west was opened the primary purpose was that the industrial life of central Canada was in need of stimulation; in other words, in need of support which the editorial indicates would be forthcoming from the west. Ever since that day forces have been at work in central Canada preventing the west from becoming industrialized, in order that that support might be continued on behalf of the central provinces of Canada. I think it has been proved beyond question that all the western provinces and all the provinces in what we regard as the maritimes are capable of supporting a greater number of secondary industries than they now enjoy. Unless it is recognized that the government must take definite and concrete action to prevent the forces, both industrial and financial, which are consolidated in this part of Canada from maintaining the strangle-hold—I will call it that for want of a better word—upon western Canada, western Canada will wait and wait for its proper recognition in connection with secondary industry.

I do not desire to take very much more of the time of the house upon this occasion. I am not unduly impressed with the possibilities which such assistance to industry will give to employment and to the matter of effective demand and consumption. It was pointed out very well this afternoon by the member for Jasper-Edson (Mr. Kuhl) that the mere fact that we stimulate industry in order to create a certain amount of employment will only create such employment as long as the people of Canada are in possession of the purchasing power necessary to buy the products of industry. To think that industry can function while the people of Canada are not in possession of the means whereby they can procure the products of industry is to live in a day-dream. I could quote extensively from reports, which I believe would command the attention of the house, to show, as the hon. member for Jasper-Edson said this afternoon, that industry in itself does not pump into the system of purchasing power sufficient purchasing power to buy the goods which modern industry is capable of producing.

I do not say that the measure will not provide a degree of relief; but is not the mere fact that we are introducing a measure such as this clear enough proof that the financial facilities which have been available in the past have not met the requirements of industry or of the workers or of the people of Canada at large? In connection with the same point, I do not know what is going to happen eventually, with all the banks that the government find it necessary to establish. For my own part I would say that if it becomes necessary to establish more banks it is only because they must beforehand have reached an agreement to the effect that the present banking facilities are not meeting the requirements of the people.

We have a bank of international settlement. It is known that we have a Bank of Canada. It is also known that we have some provincial banks. It is a fact that on the statute books we have a central mortgage bank, though it has not become a reality. There are credit unions, referred to by the hon. member for Cape Breton South. Now we are to have an industrial development bank, and it has

been hinted that there will be an agricultural bank. What is the ultimate outcome to be? Is there or could there be an attempt to establish so many banking institutions in Canada that we shall never be able to segregate one to criticize it?

I would say, as was pointed out by other speakers in this group, that we have undoubtedly reached the stage where there must be drastic revisions in the Bank Act. I would say that such revisions should be carried on until such time as the banking institutions that we have in the country serve the purpose for which I believe banking institutions should be established. This idea that, after all, the chartered banks can make only short-term loans, therefore cannot possibly meet the situation, and that, as a result, we must have another bank, is just talking in circles.

The hon. member for Acadia (Mr. Quelch) asserted clearly that it would take only a revision of the Bank Act to make it possible for these long-term loans to be made. I find myself a bit confused by government policy. I wonder what the ultimate objective is. It may be a case of just wait and see; but I have been doing that now for almost thirty-five years. I hope that by the time another thirty-five years have gone by I shall have seen something more satisfactory than the various financial proposals which have been made by the orthodox governments of Canada from time to time since there was a Dominion of Canada.

Mr. F. G. HOBLITZELL (Eglinton): With regard to this bill I would say that the small business man has not been entirely forgotten though he has been almost so. While I have not made myself heard in this chamber very often, I have on numerous occasions approached those in charge with reference to what we could do to build up the small business man and his morale. If this bill is designed to give assistance to small industries it can be very helpful indeed; but, Mr. Speaker, I have very much doubt. I will give the reasons for that. This bill No. 7, to incorporate an industrial development bank, has been drafted by the Minister of Finance (Mr. Ilsley) or his department. They still have in that department some advisers who are also administering the wartime prices and trade board, and I am going to make this suggestion. I think the two of them should get together, because one is proposing to bring forth a development bank to assist the small business man, to help to establish him in the post-war years. It seems to me, however, that an effort to prevent things from happening is far better than to establish something later on.

I have before me the edition of March 1, 1944 of the *Canadian Grocer*. I hope the parliamentary assistant to the minister will correct me if I am wrong. I am going to quote:

> The wartime prices and trade board paid $460,618 to Canadian chartered banks for services in connection with ration-coupon banking for the period March 1 to November 30, 1943—a period of nine months. This information was recently given out by Hon. J. L. Ilsley, finance minister. On the other hand, grocers who handle more than two billion coupons annually for the board get nothing for their services.

I remember, the first time I rose in the house to speak, I made the statement that labour is worthy of its hire. I certainly do not object one iota to paying for services rendered, and I do not object to this money being paid to the chartered banks, but I would ask this question. If the small grocer or the small business man, who has been handling two billion coupons annually, which he has to tear out of books and then lick them and paste them in, is willing to do this gratuitously, why should the chartered banks be paid? On the other hand, if the chartered banks are paid this sum of money, why do we not offer the small business man the same compensation for the services rendered? One or the other is wrong. In my opinion they should all be paid because it is a service rendered.

War brings casualties of all kinds, and the most sorrowful of all are those who have made the supreme sacrifice. Our deepest sympathy goes out to those who have lost their loved ones. But we have casualties at home among our small business men. Speaking in Toronto before one of the service clubs, one of the managers of the R. G. Dunn Company, a large mercantile agency from coast to coast, gave figures, which I believe he was in a position to give, showing that approximately ten thousand small business men had closed their doors. This is a large number of casualties.

I have repeatedly objected to some of the regulations put into force not only by the wartime prices and trade board but by some of those other boards which have been created and which are presided over by some of those dollar a year men. I shall qualify my statement somewhat with regard to those dollar a year men. Some of the dollar a year men who have been working here have given wonderful service. On the other hand, some of the regulations issued by some of the boards do not even make horse sense, let alone common sense. It is pretty hard to establish confidence in many small business men when things of that kind are carried out.

I have been in business as a small business man for some years. I do not mind going out

into the field of enterprise and fighting my way against competition. I believe that if this government wants to do something to assist the small business man it should not pass legislation for the benefit of the few in preference to the masses. If we legislate for the benefit of the few, then there is no alternative, in my opinion, but state control. I am not one of those who agree with government control. I believe in private enterprise where one's initiative can reap the rewards of one's own efforts. In that connection I shall quote a definition which I clipped from one of the magazines. It is as follows:

What is private enterprise?

It is the natural desire to make your own way, as far as your ability will take you: an instinct that has brought to this continent the highest standard of life enjoyed by any people on earth. It is the spirit of democracy on the march.

Before this bill goes to the banking and commerce committee I should like to see the Minister of Finance meet with the wartime prices and trade board, because it looks to me, judging from this bill and the regulations, as if they are working at cross purposes. I think we shall all be confused until something is done one way or the other.

Mr. R. T. GRAHAM (Swift Current): Along with many others who have spoken on this particular bill I am convinced that it is very important, important because it is a departure from the policy pursued by Canada in the matter of credit institutions during the whole course of its history. I realize, of course, it is meant to be a part of the reconstruction programme that without exception the members of this house are anxious to see the government undertake. I realize also that the wording of the bill would indicate that it is meant to assist small industry; yet, probably it has a greater desire to assist small industry only in order to give employment and to increase the productivity of the business activities of the whole of the people of Canada, so that the production of that particular group may swell the total of our national income and thus permit some of the legislation that has been referred to in the speech from the throne to be of fruitful benefit in the post-war period. On the other hand, by the very nature of the legislation it would appear that it is expected that this particular lending institution will take a certain measure of risk in the lending of money that would not be expected of our commercial banks, mortgage and loan corporations, or insurance companies, or any other of the privately owned or chartered lending institutions.

I think all of us will agree that commercial banks, trust and loan companies or insurance companies, being the trustees either of their depositors or of their policyholders or of their shareholders, cannot, without risk to the structure that they are managing, take undue risks in the lending of other people's money; and to the extent, therefore, that it has been found necessary in the reconstruction programme to take care of that group of business activities which is not already served by the existing institutions, I, of course, agree that the government has done well to tackle and to try to meet that particular situation.

In addition to the institutions to which I have referred, I would point out, as the hon. member for Cape Breton South (Mr. Gillis) indicated, that there are at present in this country credit unions which are part of the great cooperative system that performs in a small way in an individual community and contribute for many needs a useful service in the lending field. It is, indeed, an important part of the business growth of Canada. But I would point out that in my opinion he has failed completely to appreciate the real base upon which the credit union system operates and thrives and plays a very real part when he suggests that we can make it an adjunct of this industrial development bank. I agree with him that perhaps in the development of our financial system we shall do as the United States has done and institute banks for the very purpose of making loans to cooperative enterprises. That particular business has grown to an immense size in the United States. In 1942, the sixteen organizations whose function it is to lend to the cooperative enterprises, lent an amount of some $330,000,000. Believing as I do in the very great contribution that cooperative enterprise has to make in Canada, I have no doubt that this will be another development which will have to be undertaken by government in this country. Nevertheless I wish to point out to the Minister of Finance and to his parliamentary assistant that there is a great deal of weight in the comments made by the hon. member for Vancouver-Burrard (Mr. McGeer), when he suggested that we should be careful to remember the purposes for which the Bank of Canada was created and to see that those purposes are not lost sight of, and that the Bank of Canada's usefulness is not enmeshed in enterprises for which it was not intended.

I wish, like the hon. member for Vancouver-Burrard, to recall to the house the basic principle underlying the creation of the Bank of Canada. It was created for the purpose of regulating the volume of credit and of cur-

rency in this country. It was not intended as hon. members know, to become a bank to transact lending business with individuals. It is not a bank of deposit in which you and I can leave whatever savings we have after the payment of our income tax. Like the hon. member for Vancouver-Burrard, I think the Minister of Finance and the banking and commerce committee should look carefully into the question of whether this bill will in any way impose upon the Bank of Canada duties it was never intended that the central bank should undertake.

Since this bill provides that the capital stock of the bank is to be subscribed by the Bank of Canada, after which it will be permitted to sell to the public bonds or debentures to an amount not exceeding $75,000,000, we shall have a partly publicly-owned and partly privately-owned institution. The bonds or debentures issued by this bank to the public will not be guaranteed by the dominion; and as I went over the provisions of the bill it struck me that we should be careful not to involve the credit of the Bank of Canada in a financial venture to which the public are invited to subscribe through the purchase of bonds, unless we are prepared to see to it that the venture will be a success and that there will be a reasonable return on the money invested by the public. Having in mind the purposes of the bill, the rate of interest paid on the bonds will be small. This institution will make loans for fairly long periods to at least some individuals who may not be considered A-1 risks but who will have a good prospect of succeeding in their ventures and making a contribution to the productive life of this country. Therefore it stands to reason that if the purposes of this bill are to be carried out there will be an element of risk and that at some stage of the bank's career there will be losses. It seems to me, therefore, a dangerous thing to have the Bank of Canada in close association with an institution which may find it impossible to pay a reasonable return to those who invest in it, and which, in fact, may find itself at some period facing a substantial deficit in its capital structure.

For this reason, Mr. Speaker, I suggest to the parliamentary assistant to the Minister of Finance (Mr. Abbott) that he and his departmental officers consider whether or not the suggestion made by the hon. member for Vancouver-Burrard is not of value. This institution is intended to serve a purpose which we think should be served, but we should dissociate it from that great central bank of ours. We want this bank to be courageous in making these loans; we want it to recognize

the small industry, the small business man who needs money with which to start an enterprise which will have a reasonable hope of achieving success. For that reason I suggest to the parliamentary assistant that it might be well to revise the machinery set up in this measure and, instead of the public being invited to subscribe any portion of the necessary funds, to have the government create an organization completely apart from the Bank of Canada, with all the money necessary for the working capital subscribed by the government. I believe we can look to the future with great hope; yet the experience of the past surely tells us that there may be periods of stress again in the world which may impose upon our banking and financial institutions, as upon all our institutions, a load some cannot carry. In the past this central dominion authority has proved a great source of strength when our municipal and provincial governments found the going too hard. Fortunately for us we had the solid stability of the central institution which was able to supply the help necessary to carry us through to better days. Therefore I leave that thought with the parliamentary assistant, that he reconsider the set-up of this institution.

May I express my satisfaction at the announced intention of the government to set up a similar type of credit institution to deal with agriculture. In common with all other speakers from western Canada and the maritimes, in the past I have deplored, as I deplore now, the centralization of industry in Ontario and Quebec. Let me assure you, Mr. Speaker, that it is not mere provincialism that dictates this attitude on my part, nor, I am sure, on the part of those other hon. members who have spoken in the same way. I believe the people most concerned with finding a solution to this problem are, strangely enough, not those who live in the outlying provinces. In their own interests, and particularly in view of the larger stake they have in this country, the people most interested in solving the problem of the centralization of industry and finance in Ontario and Quebec are the very people of those two provinces. I think it essential that hon. members should keep this in mind, and that we should all work with the government and with each other to find a way out of this difficulty, because in doing so we shall bring about less criticism, greater harmony and more prosperity for the whole of Canada, of which these two provinces form such an important part.

Had I the time, I should like very much to deal with the remarks of the hon. member for Cape Breton South. As always, I listened to his address with a great deal of interest, but

I am afraid he labours under a good many illusions. I think he fails to understand that socialism is the very antithesis of democracy, and that you cannot have democracy under statism or socialism.

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

Mr. GRAHAM: No; I am sorry, but I have not time.

Mr. CASTLEDEN: Did the hon. member ever hear of democratic socialism?

Mr. GRAHAM: The hon. member for Cape Breton South and others who hold his views make the very great mistake of believing that the cooperative movement is part and parcel of socialism. I say to them that nothing could be farther apart than the true spirit of the cooperative movement as I know it and the spirit of statism or socialism. So that the whole argument advanced by the hon. member falls because his premises are wrong. He states, for instance, that the difficulties we met during the depression were the result of the failure of the present system, which is sometimes called capitalism and sometimes free enterprise. Let me suggest that the reverse is true, and that if we look back over the history of that period we see that nation after nation made the mistake of so planning its economy that the rest of the world would be excluded and it alone would reap some benefit from that policy. The Bennett government that was in power from 1930 to 1935 brought in its Canada-first programme which, to the extent that it was carried into effect, was a planned economy. All hon. members know the result. I say that the closer we keep to the natural laws which govern the economy of the world and all countries therein, just to that extent shall we have fewer depressions, and depressions of less intensity when they do come. I cannot imagine anything which would be more likely to bring about a depression, or which would make the depression of the thirties look like a picnic, than would statism or socialism, if it were put into effect in this country in the future.

There are other matters I should like to mention, but I rose chiefly to bring to the attention of the parliamentary assistant to the Minister of Finance some of the things which should be carefully considered before we finally adopt the very fine idea expressed in this bill.

On motion of Mr. Jackman the debate was adjourned.

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

Tuesday, March 14, 1944

The house met at three o'clock.

ALCOHOLIC BEVERAGES

REMOVAL OF FEDERAL RESTRICTIONS ON SUPPLIES OF BEER TO PROVINCES—STATEMENT OF PREMIER DREW

On the order for motions:

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I should like to refer to a statement which Premier Drew is reported to have made in the Ontario legislature yesterday, and which has been given general circulation in the press of Canada by the Canadian Press. The dispatch is dated Toronto, March 13, C.P., and reads in part as follows:

After studying the text of Prime Minister King's anouncement, however, Premier Drew issued the following statement:

"Mr. King does some truly remarkable juggling with figures in his attempt to distort the effect of the notices put up by the liquor control board of Ontario.

"All the beer available for sale in Ontario under the restrictions imposed by the dominion government has been sold. The notices simply conveyed the information that the alcoholic beverages available at the sales outlet were restricted by the dominion order. That statement was correct.

"Mr. King has not furthered the cause of dominion-provincial cooperation by misrepresenting the facts to the whole of Canada regarding the action of the Ontario government.

Elsewhere the report states that Premier Drew had said:

Press reports quoted Mr. King as saying the wartime order called for a 10 per cent beer cut and Ontario had made it 25 per cent.

In order that there may be no misrepresentation of the facts or misunderstanding concerning them, may I read what I did say yesterday on this subject, as reported in *Hansard*, page 1392, with reference to the posting of the alcoholic beverages notices:

In Ontario, on the authority of the liquor control board, notices have been posted in establishments where alcoholic beverages are sold, which read as follows:

"Notice: The quantity of alcoholic beverages saleable at this sales outlet is restricted by reason of order in council No. 11374 passed by the federal government Dec. 16, 1942,—This notice is posted on authority of the Liquor Control Board of Ontario."

There is no indication in these notices that the action of the federal government was a war measure, enacted to increase the country's total war effort. No account is taken or mention made of the fact that the production and consumption of alcoholic beverages in 1942 had reached the highest level in Canada's history. Instead, the poster is designed to have it appear that, in the opinion of the government of Ontario, the action of the federal government is arbitrary, unfair and unnecessary.

Since the enactment of the dominion wartime alcoholic beverages order, there has during the year been released for sale in each province of Canada, ninety per cent of the beer which was released for sale in the twelve months ended October 31, 1942. Over the whole country, this amount was some sixty per cent in excess of that which had been released for sale in the year prior to the outbreak of war. To-day the beverage rooms of Ontario, where the notices of the Ontario Liquor Control Board are posted, are not being allocated 90 per cent by the board. Instead, they are being allotted only 75 per cent. It is true that the quantity saleable in the province has been restricted by the dominion order in council, but it was not restricted by 25 per cent. That restriction on the beverage rooms was imposed by the liquor control board of Ontario.

The board's action has the approval of the government of Ontario. It was defended by the Attorney General of Ontario in the Ontario legislature on the 8th of this month. The posting of the notices certainly misrepresents the action of the federal government. It is clearly an attempt to have the federal government held responsible for the whole twenty-five per cent reduction.

That is the entire statement I made in regard to the notices, and it will be seen that I expressly said that it is true that the quantity saleable in the provinces has been restricted by the dominion order in council. That is what Mr. Drew says is true. But what has been omitted altogether from the notices which were posted is any reference to the fact that this is part of a war measure, that the restriction was only 90 per cent, whereas 75 per cent was all that was being given out in the beverage rooms.

Mr. Drew goes on to say, in the report which I have just read:

It is typical of Mr. King that he failed to inform the people of Canada at the same time that I had written to him last Friday asking for an appointment so that the attorney-general, the commissioner of the Liquor Control Board and I could meet him in Ottawa in an effort to find some solution to the unsatisfactory situation which had developed.

I presume I am to accept to-day's announcement as his idea of an appropriate reply designed to encourage cooperation. In dealing with the matter in the legislature, Premier Drew read the letter he had sent to the Prime Minister asking for an early conference on the beer situation.

I have a copy of the letter, and as it has been tabled in the Ontario legislature, I would ask permission to table it here. The previous correspondence was tabled some days ago. What I wish to call to the attention of hon. members is this statement of Mr. Drew:

It is typical of Mr. King that he failed to inform the people of Canada at the same time that I had written to him last Friday—

[Mr. Mackenzie King.]

Et cetera, et cetera. And then:

I presume I am to accept to-day's announcement as his idea of an appropriate reply designed to encourage cooperation.

What are the facts with regard to the receipt of Mr. Drew's letter and the statement I made yesterday? To begin with, it was on Saturday, March 4, that the press of this city and of other parts of the country reported that a notice had been posted in all liquor and beer sale outlets in Ontario. That was on Saturday, March 4, and on Wednesday, March 8, the morning papers reported a statement the provincial treasurer of Alberta, the Hon. Solon Low, made in the legislature; the statement to which I referred yesterday. On the afternoon of that day, having seen the notices, and having observed what Mr. Low was saying in Alberta, I communicated with my colleague, the Minister of National Revenue (Mr. Gibson), and indicated to him that I thought immediate action would have to be taken to prevent further misrepresentation of the position as between the dominion and the provinces and that in my opinion, it would be necessary, to leave the control of restriction on beer wholly within the purview of the provinces so as to give them complete control —in other words, to have single rather than dual control, particularly as the provinces have complete jurisdiction with regard to distribution and sale.

It was on Wednesday, March 8, that I so communicated with my colleague the Minister of National Revenue. On Thursday, March 9, the morning papers reported a statement of the attorney general of Ontario defending the notices posted by authority of the liquor board.

I had hoped it might be possible for me to take up the matter on Friday the 9th, and to make a statement in the house immediately, along the lines of the one which I made yesterday, but I was too pressed with other matters to be able to get a statement prepared in that time. I therefore gave the statement yesterday, having taken part of Saturday to prepare it at some length in order that it might set out all the essential facts. As a matter of fact, therefore, the decision with respect to the action to be taken in regard to restrictions was made two days before Mr. Drew's letter was written. Mr. Drew's letter was written on March 10.

May I say a further word with regard to the time at which I received Mr. Drew's letter. I did not receive the letter until last night at half past eight o'clock. I think the house will understand very clearly how that came to be

when I give to them the particulars which appear from the envelope, and also from what they know of the proceedings in the house yesterday. The letter is dated March 10, 1944. It bears the postmark, "Toronto, March 10, 11.30 p.m., 1944, Ontario"—11.30 p.m. on March 10, which was Friday. It could not possibly have reached Ottawa until late on Saturday at the earliest. The probability is it came on the following day but the Ottawa date stamp is not on to so indicate. The letter would not be sent to my office until Monday morning. But on the envelope it is also marked " personal." My secretaries follow the custom of putting by themselves letters marked "personal," so that when I have had a chance to get through with public communications I may personally look at the letters so marked.

I had no chance yesterday even to look at communications that came in dealing with public business generally until late in the afternoon. I had important matters to take up in the cabinet and I had the statements that were given yesterday, one regarding the wages control order as well as the other on beer restrictions which I had to look over and further revise. I also received from the leader of the opposition (Mr. Graydon) a communication intimating that he wished to ask a question respecting the communication from Mr. de Valera. The result was that I did not get an opportunity even to have any luncheon before I came into the house. I made the statement I did without any knowledge whatever that there was a communication from Mr. Drew. At about half past four or five I went to my private office here and had a cup of tea and a sandwich—not a glass of beer and a sandwich, but a cup of tea and a sandwich. I was kept in the office until after seven at night. When I got back to my residence I found some personal letters. I took advantage of the opportunity to have a bit of a meal first, and afterwards I opened and read the letters marked " personal." The first letter I noticed on the top was one from the Premier of Ontario, which I have in my hand and which is marked "personal."

With all due respect, I say that this particular statement:

> It is typical of Mr. King that he failed to inform the people of Canada at the same time that I had written to him last Friday. . . .

—is hardly the kind of comment that one would expect in the circumstances.

Mr. HANSON (York-Sunbury): Sounds like a tempest in a beer pot.

Mr. MACKENZIE KING: Then further:

> I presume I am to accept to-day's announcement as his idea of an appropriate reply designed to encourage cooperation.

All I wish to say as to that is that I do not deal with public business in that particular way.

Mr. GORDON GRAYDON (Leader of the Opposition): Having heard the explanation of the matter covered by the Prime Minister, I should like to say this. The Premier of Ontario could hardly be held accountable for the office arrangements of the Prime Minister of Canada, and it seems to me, while we must respect the explanation which has been given by the Prime Minister with respect to his not having received the letter, nevertheless I think the house and the country will be in agreement that the statement made last night by the Premier of Ontario, having in mind the fact that he had on Friday sent a letter to the Prime Minister, was in every respect a proper and an appropriate statement to make. I hope that the Prime Minister will not attempt, because there is a Progressive Conservative government in Ontario, to pick unnecessary fights with the Premier of Ontario.

Mr. MACKENZIE KING: May I say to my hon. friend, I hope he will not attempt to make a lot of petty party politics out of this particular matter.

Mr. HANSON (York-Sunbury): What are you doing?

Mr. MACKENZIE KING: I am seeking to conduct this discussion on the plane on which it should be carried on. When my hon. friend says to me that the Premier of Ontario is not responsible for the arrangements of my office, may I tell him that the Premier of Ontario, if he has a letter which is a public communication that is being sent to the Prime Minister to be read immediately, should not mark that letter "personal". More than that, if he attached importance to the letter, he could easily have sent me a telegram informing me of its dispatch or sent the letter by air mail or special delivery. I hope the day will never come when, so far as office arrangements are concerned, I am to be expected to have all my personal mail opened by secretaries to be dealt with before I have any opportunity of dealing with official business. So far as the statement made by the Premier of Ontario is concerned, all I can say is if the circumstances had been reversed and I had been communicating with Mr. Drew and had felt the matter important enough to refer to publicly, before imputing

motives, I should have taken care to inquire, first of all, whether my letter had been received, and if not, what the reasons were.

NAVAL SERVICES

AWARDS FOR GALLANTRY

Hon. ANGUS L. MACDONALD (Minister of National Defence for Naval Services): As I promised last week, I now table a list giving the names and addresses of 452 members of the Royal Canadian Naval Service who have received awards for gallantry or mentions in dispatches since the beginning of this war, together with a further list giving the numbers of non-operational awards.

Mr. KNOWLES: May I inquire whether the list of names which the Minister of National Defence for Naval Services has tabled will be included in to-day's *Hansard* as was done in the case of the Canadian Army and the Royal Canadian Air Force?

Mr. MACDONALD (Kingston City): I prepared the list in response to a request from the leader of the opposition (Mr. Graydon). I think I stated last week in my introduction to the naval estimates that I intended to put the table on *Hansard*. With the consent of the house it will go on *Hansard*. I assumed that the consent would be granted.

The list of names and awards follows:

OPERATIONAL AWARDS

O.B.E.	20
M.B.E.	10
B.E.M.	32
D.S.O.	7
D.S.C.	49
D.S.M.	29
Conspicuous Gallantry Medal	1
George Medal	6
Polish Cross of Valour	4
Norwegian War Medal	2
Greek War Cross, 3rd Class	1
Czechoslovak Military Cross, 1939	3
Commendations	7
Legion of Merit in degree of Legionnaire (U.S. Award)	1
Mentions in Despatches	280
	452

O.B.E.—20

Alleyne, Victor P.
Commander, R.C.N. (Temp)
2 June, 1943
322 Armit Road, Esquimalt, B.C.

Arnison, Alfred Borden
Lieut. Commander (E), R.C.N.R.
1 January, 1943
3884 W 13th. St. Vancouver, B.C.

Baugh, Gerald O.
Lieut. Cdr. R.C.N.R.
3 June, 1943
3990 Marguerite Avenue,
Vancouver, B.C.

Bulmer, John
Lieut. Cdr. (E), R.C.N.R. (Temp)
1 January, 1944
10 Westoe Avenue, South Shields
Durham, England

Clark, Norman Vincent
Lieut. Commander, R.C.N.R.
14 Ogilvie Street, Halifax, N.S.
1 January, 1943

Copelin, Charles
Temp. Lieut. Cdr. R.C.N.R.
Liverpool, N.S.
1 January, 1943

Crutchlow, Everett Francis
Surg. Lieut. R.C.N.V.R. (Temp)
660 Landsdowne Avenue, Westmount, Que.
1 January, 1943

Despres, Louis Gerard Fabiante
Lieut. (E), R.C.N.R.
192 P.O. Box, Montmagny, Quebec
1 January, 1943

Griffiths, George Humphrey
Commander, R.C.N. (Temp)
Upwood Farm, Berwick, King's Co.
Nova Scotia
2 June, 1943

Herman, Ronald James
Lieut. R.C.N.V.R. (Temp)
8 Garden Crest Apts. Summer Street
Halifax, Nova Scotia
2 June, 1943

Johnson, Bernard Dodds Leitch
Lieut. Cdr. R.C.N.R.
1386 Nicola Street, Vancouver, B.C.
1 January, 1944

Kenney, Reginald R.
Lieut. R.C.N.V.R. (Temp)
378 West Young St. Halifax, N.S.
2 June, 1943

Lay, Horatio Nelson
A/Captain, R.C.N.
Walkerton, Ontario
1 January, 1943

MacNeill, Robert A. S.
Lieut. Cdr. R.C.N.R. (Temp)
19 Inglewood Place, Ottawa, Ont.
2 June, 1943

Maheu, Joseph Mobry
Lieut. Cdr. (E) R.C.N.R.
98 McManamy St. Sherbrooke, Quebec
1 January, 1943

Mainguy, Edmond Rollo
Captain, R.C.N.
Heanitree Farm, Herb Road, Duncar, V.I., B.C.
1 January, 1943
Miles, George Ralph
A/Captain, R.C.N.
now Commander
33 Seeley St. Saint John, N.B.

Pullen, Hugh Francis
Commander, R.C.N.
Oakville, Ontario
1 January, 1944

Stephen, George Hay, D.S.C.
Lieut. Cdr. R.C.N.R.
2284 Hampton Ave., Montreal, Quebec
18 May, 1943

Woods, William
Lieut. Cdr. R.C.N.R. (Temp)
431 Manning Avenue, Verdun, Quebec
1 January, 1944

M.B.E.—10

Armstrong, D. B.
11 Northcliffe Blvd., Toronto, Ontario
1 January, 1944

Blair, David William
A/Lieutenant, R.C.N.V.R.
141 Moncton Avenue, Quebec, Quebec

Cormier, Joseph Louis Nazaire
Chief Skipper, R.C.N.R.
79 Des Prairies St., Quebec City
16 October, 1939

Garrard, William Arthur Bordett
Lieut. R.C.N.V.R.
1847 Crescent Road, Victoria, B.C.

Gillespie, James Blaine
Coxswain, R.C.N.R. (F.R.)
3919 West 13th. Avenue, Vancouver, B.C.
1 January, 1943

LaCouvee, Reginald James
Commissioned Engineer, R.C.N.R.
(now Lieut. (E)
Delaire, Gaspe County, Quebec
1 January, 1943

Milsom, Patrick Sproull
Lieut. R.C.N.V.R.
124 Spadina, Toronto
1 June, 1943

Savory, John A.
Lieut. (E), R.C.N.V.R.
10 Lumsden Avenue, Hamilton, Ontario
18 May, 1943

Thomas, Herbert
Warrant Mechanician, R.C.N.
255 Percy St. Ottawa, Ontario
1 January, 1943

Watson, Douglas Rannie
Lieut. R.C.N.R. (Temp)
4451 Western Avenue, Westmount, Que.
10 August, 1943

B.E.M.—32

Batchilder, William Milford
Engine Room Artificer, 3/C, R.C.N.R.
22 Alley Street, Charlottetown, P.E.I.
1 January, 1944

Bell, David George
E.R.A. 3/C, R.C.N.R.
430 Quebec Avenue, Toronto, Ont.
18 May, 1943

Binnie, E. E.
Able Seaman, R.C.N.
#4 McDougall Court, 100th. Street
Edmonton, Alberta
2 June, 1943

Boutilier, Clyde
E.R.A. 3/C, R.C.N.V.R.
94 Wellington St. Halifax, N.S.
1 January, 1943

Brown, John
Petty Officer, R.C.N.
18 Wilson St. Woodstock, Ont.
1 January, 1943

Campbell, John Driver
Telegraphist, R.C.N.
1272 27 Ave. E., Vancouver, B.C.
2 June, 1943

Chapman, C. M.
A/leading seaman, R.C.N.R.
Murray Harbour, P.E.I.
2 June, 1943

D'Aubin, Donald Rupert
E.R.A. 4/Class, R.C.N.V.R.
81 Victoria Road, Sydney, N.S.
1 January, 1944

Eagle, Frederick William
Chief E.R.A. R.C.N.
1032 McGregor Avenue, Victoria, B.C.
1 January, 1943

Fisher, Douglas C.
Stoker P.O. R.C.N.V.R.
506 Avenue H. South, Saskatoon, Sask.
2 June, 1943

Fitzgerald, Michael John
Signalman, R.C.N.V.R.
512 Dupont Street, Toronto, Ontario
1 January, 1944

Hagen, Edwin Richard Robert
E.R.A. 3/Class, R.C.N.R.
Brant Hill, Port Dover, Ontario
1 January, 1944

Harding, Walter L.
Bond Street, Yarmouth South, Yarmouth County
Nova Scotia
2 June, 1943

Helgason, Stefan
Chief P.O. R.C.N.R.
206 Almon St. Halifax, N.S.
1 January, 1944

Hetherington, William Francis
P.O. Electrician, R.C.N.V.R.
174A Laurier Avenue, Asbestos, Quebec
1 January, 1943

Humphries, William George
Chief E.R.A.
(Now A/Warrant Engineer)
Old Lock, 1 East Front St.
Port Dalhousie, Ontario
1 January, 1943

Lancien, John Gordon
Ordinary Seaman, R.C.N.V.R.
27 Levis Avenue, Quebec, Quebec
16 October, 1943

LeFaive, Urbain Joseph
E.R.A. 3/Class, R.C.N.R.
Port McNicoll, Ontario
1 January, 1943

Lemieux, Joseph Edward
Stoker, P.O. R.C.N.
455½ Sussex St. Ottawa, Ontario
18 October, 1940

Mitton, Donald Grant
Supply Chief P.O. R.C.N.
Nictaux Falls, Nova Scotia
1 January, 1943

Paterson, James
A/Chief E.R.A. R.C.N.R.
241 Wright Avenue, Toronto, Ont.
2 June, 1943

Peterson, Fred W.
Leading Steward, R.C.N.R.
305 Maynard Street, Halifax, N.S.
2 June, 1943

Simpson, Harold Francis
Chief P.O. R.C.N.V.R.
27 Church Avenue, Valois, Pointe St. Clair, Quebec
16 October, 1943

Simpson, Robert
Chief E.R.A. (Ty) R.C.N.
1740 Bewicke Avenue, North Vancouver, B.C.
1 January, 1943

Taylor, Alfred E.
Supply P.O. R.C.N.V.R.
North Gower, Ontario
2 June, 1943

Taylor, James A.
Chief P.O. R.C.N.R.
(Now Sub. Lieut.)
108 Oakland Street, New Westminster, B.C.
2 June, 1943

Werely, James Marshall
E.R.A. 4/Class, R.C.N.R.
Morrisburg. Ontario
1 January, 1944

Whittingham, Maurice Aldred
Acting Yeoman of Signals, R.C.N.V.R.
(Now Sub. Lieut.)
101 London Street, Sherbrooke, Quebec
1 January, 1943

Wilson, Gordon Cornelius
Acting A.B. R.C.N.V.R.
(Now commissioned)
87 Scollard Street, Toronto, Ontario
1 January, 1943

Wilson, J. A.
Stoker, P.O. R.C.N.V.R.
3 Station Street, Fairville, N.B.
2 June, 1943

Wood, Horace George
Chief P.O. R.C.N.
417 Oak St. New Westminster, B.C.
2 June, 1943

Young, William John
Acting Chief E.R.A. R.C.N.R.
Port McNicoll, Ontario
1 January, 1944

D.S.O.—7

Coleman, Albert Robert Ernest
Lieut. Cdr. R.C.N.R.
(now Cdr.)
1539 Crescent Street, Montreal, Quebec
4 May, 1943

Freeland, Harry
A/Lieut.-Cdr. R.C.N.R. (Temp)
69 Connaught St. Sydney, N.S.
29 June, 1943

Grant, H. T. W.
Captain, R.C.N.
Armdale, Halifax, N.S.
5 January, 1944

King, Clarence Aubrey D.S.C.
A/Lieut. Cdr. R.C.N.R.
16 December, 1942
The Anchorage, Oliver, B.C.

[Mr. A. L. Macdonald.]

Prentice, James Douglas
Commander. R.C.N. (Temp)
(now Captain)
The Gang Ranch, B.C.
3 March, 1942

Simmons, Edward Theodore, D.S.C.
Lieutenant, R.C.N.V.R. (Temp)
193 Beach Drive, Victoria, B.C.
4 May, 1943

Stubbs, John Hamilton
A/Lieut. Cdr. R.C.N.
Kaslo, B.C.
3 December, 1942

D.S.C.—49

Allan, John Alfred Robert
Sub. Lieutenant, R.C.N.V.R.
749 Wellington Crescent, Winnipeg, Manitoba
3 March, 1942

Bell, Roderick Meilicke
Lieutenant, R.C.N.V.R.
1950 West 17 Avenue, Vancouver. B.C.
3 November, 1942

Bonnell, Charles Ernest
Lieutenant, R.C.N.V.R.
Newtonbrooke, Ontario
6 January, 1942

Briggs, William Edgar Slade
Lieut. Cdr. R.C.N.R.
96 Inglis Street, Halifax, N.S.
11 June, 1942

Clark, Albert William
Surg. Lieut. R.C.N.V.R.
Sussex, N.B.
13 October, 1942

Cowan, Peter Robert
Sub. Lieut. R.C.N.V.R. (now Lieut.)
2642 Oxford St. Vancouver, B.C.
4 May, 1943

Davidson, John Alexander
Lieutenant, R.C.N.V.R.
15 Springfield Avenue, Westmount, Que.
6 June, 1941

Davies, John Mortimer
Lieutenant, R.C.N.V.R.
224 Princess St. Saint John, N.B.
11 June, 1942

Dobson, Andrew Hedley
A/Lieut. Cdr. R.C.N.R.
41 Bland St. Halifax, N.S.
25 November, 1942

Duncan, George Findlay
Lieutenant, R.C.N.V.R. (Temp)
487 Argyle St. Westmount, Quebec
29 September, 1942

Dyer, Kenneth Lloyd
A/Lt. Cdr. R.C.N.
Grand Pre, King's County, N.S.
25 November, 1942

Earl, Leslie Nelson
Lieutenant, R.C.N.V.R.
261 Russell Hill Road, Toronto, Ont.
25 November, 1942

Easton, Alan Herbert
Lieutenant, R.C.N.R. (Temp)
94 Cambridge St., Halifax, N.S.
18 November, 1942

Fahrni, Gordon Paton
Surg. Lieut. R.C.N.V.R.
756 Wellington Cres. Winnipeg, Man.
30 July, 1942

Forbes, Eric Keith
Lieut. R.C.N.V.R.
Wolfville, N.S.
29 December, 1942

Fuller, Thomas George
Lieut. R.C.N.V.R.
300 Somerset St. West, Ottawa, Ont.
14 July, 1942

Golby, James Wake
Sub. Lieut. R.C.N.V.R.
Seaview, Cadboro Bay Road, Victoria, B.C.
26 July. 1940

Gray, James Charles, MRCS, LRCP
Surg. Lieut. R.C.N.V.R. (Temp)
26 Shandon Crescent, Edinburgh, Scotland
1 January, 1943

Hanington, Daniel Lionel
Sub. Lieut. R.C.N.V.R.
19 Gooderich St. Saint John, N.B.
25 November, 1942

Harris, Roland Fraser
Lieut. Cdr. R.C.N.R.
Pictou, N.S.
2 June, 1943

Hennessy, Ralph Lucien
Lieut. R.C.N.
211 Spadina Road, Toronto, Ont.
3 December, 1942

Hibbard, James Calcutt
A/Commander, R.C.N.
Hemison, St. Malachie, Quebec.
1 January, 1943

Jess, Robert Edmond
Lieutenant, R.C.N.V.R.
141 Cartier Avenue, Quebec, P.Q.
4 May, 1943

Killam, David Allison
Sub. Lieut. R.C.N.V.R. (now Lieut.)
1696 Laurier Avenue, Vancouver, B.C.
2 August, 1940

Koyle, Jack Eardely
Lieutenant, R.C.N.V.R.
753 McMillan Avenue, Winnipeg, Manitoba
25 January, 1944

Lawrence, Harold Ernest Thomas
Lieut. R.C.N.V.R.
47 Union St., Halifax, N.S.
16 December, 1942

MacMillan, Robert Cunningham (DSC and Bar)
Lieut. R.C.N.V.R. (Temp)
11 Water St. Charlottetown, P.E.I.
1 January, 1942, 10 February, 1942

McLernon, Leslie Raphael
Sub. Lieut. R.C.N.V.R. (Temp) (now Lieut.)
3003 Cedar Avenue, Montreal, P.Q.
2 August, 1940

Miller, David Lloyd
Lieut. R.C.N.V.R.
70 George St. Sydney, N.S.
4 May, 1943

Piers, Desmond W.
A/Lieut. Cdr. R.C.N.
102 Young Avenue, Halifax, N.S.
2 June, 1943

Plomer, James
Lieut. Cdr. R.C.N.V.R.
593 McMillan Avenue, Winnipeg, Manitoba
19 October, 1943

Rayner, Herbert Sharples
Lieut. Cdr. R.C.N.
14 Wolseley Avenue, St. Catharines, Ontario
11 March, 1941

Ruttan, John McDonald
Sub. Lieut. R.C.N.V.R. (Temp) (now Lieut.)
21 Youstellot Block, Port Arthur
27 January, 1942

Sherwood, Frederick Henry
A/Lieut. Cdr. R.C.N.V.R.
Crescent Road, Rockcliffe Park, Ottawa, Ontario
23 March, 1943

Simmons, Edward Theodore
Lieutenant, R.C.N.V.R. (Temp)
193 Beach Drive, Victoria, B.C.
3 March, 1942

Skinner, Edgar O.
Lieut. Cdr. R.C.N.R. (now Commander)
15 Preston St. Halifax, N.S.
11 June, 1942

Stead, Gordon Wilson
Lieut. Cdr. R.C.N.V.R. (Temp)
2908 Oak St. Vancouver, B.C.
29 September, 1942

Stephen, George Hay
Lieut. Cdr. R.C.N.R.
2284 Hampton Avenue, Montreal, Que.
11 June, 1942

Teekman, Henri
Sub. Lieut. R.C.N.V.R. (Temp)
1744 St. Clair Ave. West, Toronto
20 October, 1942

Thomas, Roddick Barclay
Sub. Lieut. R.C.N.V.R. (Temp)
148 Quinn Boulevard, Longueuil, P.Q.
29 June, 1943

Thompson, Peter Andrew Ruttan
Lieut. R.C.N.V.R. (Temp)
43 William St. Oakville, Ontario
5 May, 1942

Timbrell, Robert Walter
Sub. Lieut. R.C.N. (now Lieut.)
2015 Inglewood Avenue, Hollyburn, B.C.
16 August, 1940

Wallace, Dickson C.
A/Commander, R.C.N.R.
Pictou, N.S.
1 January, 1943

Wedd, Andrew Allan
Sub. Lieut. R.C.N.V.R. (Temp)
360 Russell Hill Road, Toronto
2 October, 1942

Welland, Robert Philip
Lieut. R.C.N.
McCreary, Manitoba
11 March, 1941

Whittall, J. W.
Lieutenant, R.C.N.V.R.
27 Tudor Manor, Vancouver, B.C.
21 December, 1943

Windeyer, Guy Stanley
Lieut. Cdr. R.C.N. (Temp) (now Cdr.)
R.M.D. 2 Duncan, B.C.
25 November, 1942

Wright, William Richard
Lieutenant, R.C.N.V.R. (Temp)
22 Richelieu Place, Montreal, Quebec
1 January, 1944

Young, Robert MacKenzie
Lieut. R.C.N.V.R.
2449 Gouin Blvd. West, Montreal, Quebec
2 November, 1943

D.S.M.—29

Beaman, George Lamont Osborne
Stoker 1/class, R.C.N.R.
55 Berlin St. Halifax, N.S.
11 March, 1941

Biggs, Maurice Edward
A/P.O. H.S.D. R.C.N.
2052 Chesterfield Avenue, North Vancouver
25 November, 1942

Bowditch, George Fowler
Able Seaman, R.C.N. (now Petty Officer)
510 Oliver St. Victoria, B.C.
11 March, 1942

Boyer, Gerald Joseph
Able Seaman, R.C.N.V.R.
302 Heron Street, Fort William, Ont.
4 May, 1943

Butchart, Arthur Alexander
A/P.O. R.C.N.
3464 Imperial St., New Westminster, B.C.
25 November, 1942

Carey, Maurice Alfred
Chief P.O. (Temp), R.C.N.
79 Albert St. Mimico, Ontario
1 January, 1943

Costello, Earl
Leading Smn, R.C.N.V.R.
3210 Maplewood Avenue, Apt. 7
Montreal, Quebec
3 December, 1942

Daly, Claude Francis
P.O. Cook, R.C.N.V.R.
Hopewell Cape, N.B.
3 December, 1942

Gearing, Daniel William
P.O. (Temp) R.C.N.
84 Augusta St., Hamilton, Ontario
1 January, 1943

Heywood, Stanley
Leading Seaman, R.C.N.V.R.
Centre Road. Port Credit, Ont.
29 June, 1943

Hickie, R. W.
Acting P.O. R.C.N.R.
Fairview, Sask.
21 December, 1943

Hurst, Allen
Chief. E.R.A., R.C.N.R.
215 Windmill Road, Dartmouth, N.S.
29 June, 1943

Kent, Donald Archibald
P.O. (A/C.P.O.) R.C.N.
Pleasant Point, Halifax Co., N.S.
4 May, 1943

MacLean, Donald
Ordinary Seaman, R.C.N.V.R.
29 Jean St., Port Arthur, Ontario
4 May, 1943

Medford, Kenneth Alleyne
A/Leading Seaman, R.C.N.V.R.
2144 Addington Avenue, Montreal
18 November, 1942

Mills, Leslie
E.R.A. 4/Class, R.C.N.
No. 4 Normandie Apts., Victoria, B.C.
25 November, 1942

Mitchell, John
E.R.A. 2/Class, R.C.R.
20 Clark St. West, Leamington, Ont.
4 May, 1943

Portree, Donald
E.R.A. 4/Class, R.C.N.
238 Hunter St. East, Hamilton, Ont.
3 December, 1942

Powell, Arthur Joseph
Stoker P.O., R.C.N.
139 London St., Halifax, N.S.
16 December, 1942

Reid, John Wesley
Able Seaman, R.C.N.V.R.
110 Sunnyside Avenue, Ottawa, Ontario
4 May, 1943

Renaud, Robert
E.R.A. 3/Class, R.C.N.R.
3333 Cook St., Victoria, B.C.
25 November, 1942

Ridge, Samuel Archibald
P.O., R.C.N.
(now Chief P.O.)
39 Grasmere Newcastle on Tyne, England
11 March, 1941

Schnare, Ralph Kenneth
Leading Cook, R.C.N.V.R.
Dutch Village, Fairview P.O., Halifax, N.S.
1 January, 1943

Smith, Percy
Leading Seaman, R.C.N.
1340 Hamilton St., Regina, Sask.
3 December, 1942

Spence, William
Chief E.R.A., R.C.N.V.R.
390 Devine St., Sarnia, Ontario
3 March, 1942

Tobin, Hugh Eugene
Signalman, R.C.N.V.R.
72 Dundurn St., North Hamilton, Ont.
3 March, 1942

White, Robert
Chief, E.R.A., R.C.N.
189 Antrim St., Peterboro, Ontario
1 January, 1943

Williams, David Anthony
Chief Stoker, R.C.N.
Mission House, Ottawa, Ontario
1 January, 1943

Wilson, David
Stoker P.O., R.C.N.
10 Ashdale Avenue, Toronto, Ontario
16 December, 1942

C.G.M.—1
(Conspicuous Gallantry Medal)

Bernays, Max Leopold
A/Chief P.O., R.C.N.R.
860 Pacific St., Vancouver, B.C.

GEORGE MEDAL—6

Bett, Alfred William
Mate R.C.N.R. (Temp)
347 Durie Street, Toronto, Ontario

Cook, George Douglas
Lieut. R.C.N.V.R.
Lakefield, Ontario
29 July, 1941

Harries, James Leslie
A/Lieut. Cdr. R.C.N.V.R.
376 Redfern Avenue, Westmount, Que.
28 September, 1943

O'Hagan, Denis James Patrick
Lieutenant, R.C.N.V.R. (Temp)
(now A/Lieut. Cdr.)
218 Robie Street, Halifax, N.S.
27 June, 1941
Bar to G.M. 9 June, 1942

Rundle, George Henry Olaf
Lieutenant, R.C.N.R. (Temp)
1489 Atwater Avenue, Montreal, Que.
16 October, 1943

Tellier, William Gaston
Lieutenant, R.C.N.V.R. (Temp)
358 Redfern Avenue, Westmount, Que.
15 May, 1942

POLISH CROSS OF VALOUR—4

Faulks, Robert Boyne
Petty Officer, R.C.N.
8825 85 Avenue, Edmonton, Alberta
20 December, 1941

Lay, Horatio Nelson
Commander, R.C.N.
Walkerton, Ontario
26 October, 1941

Smith, Roy
Chief E.R.A., R.C.N.
(Now A/Warrant Engineer)
159 Macauley St. E., Hamilton, Ont.
20 December, 1941

Taylor, Neville
Chief P.O. Steward, R.C.N.
236 Forest Avenue, Winnipeg, Man.
20 December, 1941

NORWEGIAN, WAR MEDAL—2

Bailey, L. F.
Telegraphist, R.C.N.V.R.
Nashwaaksis, York Co., N.B.
1943

MacNeil, Robert A. S.
Lieut. C.D.R., R.C.N.R.
19 Inglewood Place, Ottawa, Ont.
25 January, 1943

WAR CROSS 3rd CLASS (GREEK)—1

Adams, Kenneth Frederick
Commander, R.C.N.
1790 Beech Drive, Oak Bay, Victoria
15 December, 1942

CZECHOSLOVAK MILITARY CROSS, 1939—3

Grant, Erland Hugh
A/Leading Seaman, R.C.N.V.R.
339 Bell St., Ottawa, Ontario
26 October, 1943

Holms, W. B. L.
Commander, R.C.N.
25 Marlborough St., Victoria, B.C.
26 October, 1943

Spence, Wilbert,
Able Seaman, R.C.N.V.R.
133 Greenfield Avenue, Ottawa, Ont.
26 October, 1943

COMMENDATIONS—7

Adam, Joseph Murray
Sub. Lieut. R.C.N.V.R. (Temp)
4698 4 Avenue, Vancouver, B.C.
29 July, 1943

Gordon, William Donald
53 Brenton St., Halifax, N.S.
Able Seaman, R.C.N.R.
29 July, 1943

Kane, Kenneth Edward
Shipwright 4/Class, R.C.N.V.R.
37 Stairs St., Halifax, N.S.
17 August, 1943

Lane, Robert Louis
Midshipman, R.C.N.
(now Sub. Lieut. (E))
344 Manor Road, Rockcliffe, Ont.
22 July, 1941

Peers, Arthur F.
Commander, R.C.N. (Temp)
Quesnel, B.C.
29 July, 1943

Wells, John William
Leading Seaman, R.C.N.R.
Port-Aux-Basques, Grand Bay, Nfld.
29 July, 1943

Wilkins, George Arthur
Lieut. (E) R.C.N.R. (Temp)
RR. No. 1, Lennoxville, Quebec
17 August, 1943

THE LEGION OF MERIT, IN DEGREE OF LEGIONNAIRE (U.S. AWARD)—1

King, Clarence Aubrey, D.S.O., D.S.C.,
Lieut. Cdr., R.C.N.R.
The Anchorage, Oliver, B.C.
27 September, 1943

MENTIONS IN DISPATCHES—280

Abramson, Max
P.O. Torpedo Gunner's Mate,
R.C.N.V.R.
407 15 Avenue East, Calgary
25 November, 1942

Agnew, Ronald Ian
Captain, R.C.N.
435 Jones Avenue, Toronto, Ont.
1 January, 1943

Allan, Peter Christie
E.R.A. 11 R.C.N.V.R.
6 St., Weyburn, Sask.
1 January, 1943

Allison, James Henry Luman
A/Stoker P.O. R.C.N.R.
39 Edward St. Halifax, N.S.
18 November, 1942

Angus, Colin James
A/Lieut. Cdr. R.C.N.R. (Temp)
2087 Luke St. Montreal, Quebec
2 June, 1943

Armstrong, Douglas B.
Lieut. (SB) R.C.N.V.R.
11 Northcliffe Blvd. Toronto
1 January, 1942

Annis, Alexander
Able Seaman, R.C.N.V.R.
Tilbury, Ontario
22 July, 1941

Austin, H. E.
A/Chief P.O. R.C.N.V.R.
235 W 103 St. New York, N.Y.
2 June, 1943

Bark, W. (Posthumous)
Sub. Lieut. R.C.N.V.R.
35 Brock Avenue, S. Montreal, Que.
1 June, 1943

Barkhouse, Robert McDonald
Lieut. Cdr. R.C.N.R.
425 Oxford St. Halifax, N.S.
16 October, 1943

Baker, Graham McNaughton (Posthumous)
Lieut. R.C.N.V.R.
135 Dunvegan Road, Toronto, Ontario
21 May, 1942

Bateman, Cecil Murray
S.B.A. R.C.N.V.R.
335 8th St. Brandon, Manitoba
1 January, 1943

Beard, Charles Tachereau
Commander, R.C.N.
Sweetland Avenue, Ottawa, Ont.
1 January, 1943

Beck, Frederick Allan
A/Lieut. Cdr. R.C.N.V.R. (Temp)
619 Avenue Road, Toronto, Ontario
1 January, 1944

Bell, David George
E.R.A. 3/Class R.C.N.R.
430 Quebec Avenue, Toronto
1 January, 1943

Bing, John Blythe
Leading Seaman,
2346 Winnipeg St. Regina, Sask.
18 November, 1942

Bird, Frederick
Leading Seaman, R.C.N.
3267 Napier St. Vancouver, B.C.
2 June, 1943

Brien, Earle William
Lieut. R.C.N.V.R. (Temp) (SB)
Ridgetown, Ontario
23 February, 1943

Bonner, Albert Leo
A/Yeoman of Signals, R.C.N.V.R.
108 Prince Edward St. Saint John, N.B.
2 June, 1943

Bould, Howard Desmond George
Skipper, R.C.N.R.
4 Elgin Street, Quebec, Quebec
1 January, 1943

Boulton, Angus George
A/Lieut. Cdr. R.C.N.V.R.
Russell, Manitoba, and Bank of Montreal,
77 Madison Avenue, Toronto, Ontario
1 January, 1943

Brock, Frederick
Lieut. R.C.N.V.R.
Rothesay, N.B.
14 September, 1943

Brock, John
Lieut, R.C.N.V.R.
(Now A/Lieut. Cdr.)
Rothesay, N.B.
1 January, 1944

Browne, Victor
Lieut. R.C.N.V.R.
55 Delaware Avenue, Ottawa, Ontario
1 January, 1944

[Mr. A. L. Macdonald.]

Budge, Patrick David
Commissioned Gunner (t)
(Now Lieut.)
Apt. 3, 60 Victoria Road, Halifax, N.S.
18 February, 1941

Burk, Charles Arthur
Lieut. R.C.N.V.R. (Temp)
43 Gormley Avenue, Toronto
4 May, 1943

Bydwell, Leslie Wellington
A/Chief E.R.A. R.C.N.V.R.
8320 Jeunesse St. Montreal, Que.
25 November, 1942

Caldwell, John Birch
Lieutenant (E), R.C.N.
150 Church St. Amherst, N.S.
11 January, 1944

Campbell, Angus Hector
Chief Skipper, R.C.N.R.
Big Bras d'Or, Victoria County, N.S.
18 May, 1943

Campbell, William Franklin (Posthumous)
Lieut. Cdr. R.C.N.V.R.
Albert Avenue, Saskatoon, Sask.
1 January, 1944

Casey, Joseph William
Motor Mechanician, R.C.N.V.R.
Bedford P.O., Halifax Co. N.S.
4 May, 1943

Cavanaugh, Thomas Vernon
Ordinary Seaman, R.C.N.V.R.
184 Gore Street, Perth, Ontario
29 June, 1943

Chadwick, Ernest Maurice
Sub. Lieut. R.C.N.
1156 Goodwin St. Victoria, B.C.
25 November, 1942

Chandler, Wallace Harold
Stoker P.O. R.C.N.R.
57 Thorne Avenue, Saint John, N.B.
11 June, 1942

Chapman, Neil Henley
Sub. Lieut. R.C.N.V.R.
249 Pembroke St. Pembroke, Ont.
18 November, 1942

Charrier, Joseph Georges
A/leading Smn. R.C.N.
3038 Dickson St. Montreal, Que.
11 June, 1942

Clarke, George
Leading Steward, R.C.N.R.
Westfield Golf Club
Westfield, N.B.
2 June, 1943

Clark, Gordon Matthew
Leading Sig. R.C.N.V.R.
25 Somerset Avenue, Toronto, Ontario
2 June, 1943

Clarke, John Henry
Able Seaman, R.C.N.
Radville, Sask.
3 December, 1942

Clarke, Samuel Anderson
Chief E.R.A. R.C.N.R.
(now A/Warrant Engineer (Temp))
Grand Lake Road, Sydney, N.S.
18 November, 1942

Coles, George Edward
A/Petty Officer, R.C.N.
803 Robie Street, Halifax, N.S.
2 June, 1943

Conrad, Charles Tupper
A/leading Cook (S) R.C.N.V.R.
160 Gottingen St., Halifax, N.S.

Cook, Richard
Petty Officer, R.C.N.R.
152 North St. Halifax, N.S.
2 June, 1943

Cooke, Sidney
Telegrapher, R.C.N.V.R.
Box 113, Hudson, Quebec

Corns, Sidney R.
Ordinary Seaman, R.C.N.V.R.
27 Elgin St. Brantford, Ontario
2 June, 1943

Cowie, William Herbert
Stoker Petty Officer
98 Hope St. Toronto, Ont.
1 January 1943

Cranney, Jess Lloyd
Able Seaman, R.C.N.V.R.
1073 2 Avenue East, Owen Sound, Ont.
25 November, 1942

Cross, Paul Barbour
Commander, R.C.N.V.R. (Temp)
177 Canterbury St. Saint John, N.B.
1 January 1943

Culley, Kenneth Benjamin
Lieut. R.C.N.V.R.
1418 Tower Avenue, Montreal, Quebec
16 December, 1942

Dallaire, Paul Emile
Signalman, R.C.N.V.R.
3435 Dezery St. Montreal, Quebec
18 November, 1942

Day, Alexander Earle
Ordinary Telegraphist, R.C.N.V.R.
48 Queen St. Belleville, Ontario
4 November, 1941

Debney, Howard
E.R.A. 4/class, R.C.N.V.R.
9 Alton Avenue, Toronto, Ontario
1 January 1943

DeWolf, Harry George
Commander, R.C.N.
Halifax, N.S. (No other address given)
1 January, 1941

Dewolf, Henry George
Captain, R. C. N.
Halifax, N.S.
1 January, 1943

Donaldson, John Norman
Sub. Lieut. R.C.N.V.R.
1009 Avenue Road, Toronto, Ont.
4 May, 1943

Downey, George Norval
Skipper Lieut. R.C.N.R. (Temp)
Bath Road P.O., Kingston, Ont.
1 January, 1944

Dicks, Thomas Alfred Henry
Chief P.O. R.C.N.
308 Holmwood Ave. Ottawa, Ont.
1 January, 1943

Ditmars, Eric Soulis
Sub. Lieut. R.C.N.V.R. (Temp)
3637 Pine Crescent, Vancouver, B.C.
11 November, 1941

Duchesne, Julien
Regulating Petty Officer, R.C.N.
3949 Berri St. Montreal, Que.
11 June, 1942

Duggan, James Philip Ashton
Lieut. R.C.N.R. (Temp)
11 South Promenade Isle of Man
(Ramsay)
1 January, 1943

Duke, Andrew Paul
Lieut. R.C.N.V.R. (now A/Lieut. Cdr)
1800 Sherbrooke St. West, Montreal
1 January, 1943

Duncan, George Findlay
Lieut. R.C.N.V.R. (Temp)
487 Argyle St. Westmount, Quebec
3 March, 1942

Dunlop, Daniel Turnbull
Sub. Lieut. R.C.N.V.R. (now Lieut.)
2327 Windermere Road, Windsor, Ont.
25 November, 1942

Ellis, W. E.
P.O. Telegraphist, R.C.N.
747 Clifton Avenue, Niagara Falls, Ont.
2 June, 1943

English, H. S.
Chief P.O. R.C.N.R.
710 Queen St. Sault St. Marie, Ont.
18 August, 1943

Evans, Leighton
Chief Skipper, R.C.N.R. (Temp)
3582 West 38th. Avenue, Vancouver, B.C.
1 January, 1943

Fafard, Charles Omar
Signalman, R.C.N.V.R.
1929 Tupper St. Montreal, Quebec
18 May, 1943

Falkner, James Alexander Duncan
Lieutenant, R.C.N.V.R.
21 De Casson Road, Westmount, Quebec
29 May, 1943

Faubert, Rene
Able Seaman, R.C.N.V.R.
3553 Gerouard St. N.D.G. Montreal, Que.
16 December, 1942

Feaver, Donald
E.R.A. 4/class, R.C.N.R.
440 McKenzie St. Fort William, Ont.
2 June, 1943

Foster, George William
Stoker, 1/class, R.C.N.
Cumberland St. Lake Hill
Victoria, B.C.

Foxall, Leslie Lewendon
A/Lieut. Cdr. R.C.N.R. (Temp)
Naval Barracks, Esquimalt, B.C.
2 June, 1943

Franklin, Wilfred R.
A/Chief P.O. R.C.N.V.R.
92 Shore Road, Dartmouth, N.S.
2 June, 1943

Fraser, Gilbert Goodwin
Lieut. R.C.N.V.R.
513 Transit Road, Oak Bay, Victoria, B.C.
11 June, 1942

Furlong, Michael P.
Petty Officer, R.C.N.V.R.
Morell, P.E.I.
2 June, 1943

Gentles, R. A.
Lieut. R.C.N.V.R.
527 Lakeshore Road, Toronto, Ont.
7 September, 1943

George, Robert Edward
Leading Stoker, R.C.N.R.
RR No. 1 Canning, King's County, N.S.
19 May, 1942

Giffin, Ainsley Gordon
Chief Stoker, R.C.N.R.
Lunenburg, N.S.
1 January, 1943

Gilmour, Thomas
Lieut. Cdr. R.C.N.R. (now A/Cdr.)
9673 Notre Dame St. East, Montreal, Que.
11 June, 1942

Glossop, Francis
Master-at-Arms, R.C.N.
Listowel, Ontario
1 January, 1943

Golby, Thomas M. W. (Posthumous)
A/Lieut. Cdr. R.C.N.R. (Temp)
Duncan, B.C.
2 June, 1943

Greenwood, G. M.
Lieut. R.C.N.V.R. (Temp)
Duncan, B.C.
2 June, 1943

Speight, Lenn
Petty Officer, R.C.N. (now Warrant rank)
38 Blair St. St. Catharines, Ontario
19 August, 1943

Warrick, A.
Ordinary Seaman, R.C.N.V.R.
402 16 St. Brandon, Manitoba
21 December, 1943

Gillis, Daniel Everett (Posthumous)
Chief Motor Mechanic, R.C.N.R.
83 Cumberland St. Charlottetown, P.E.I.
4 November, 1941

Gordon, Lloyd Murchison
Able Seaman, R.C.N.V.R.
Clyde River, Prince Edward Is.
16 December, 1942

Gow, John Alexander
Lieut. R.C.N.V.R. (Temp)
1376 Esquimalt Road, Esquimalt, B.C.
1 January, 1943

Griffin, Anthony George Scott
Lieut. R.C.N.V.R.
(now A/Lieut. Cdr.)
36 James St. South
Hamilton, Ontario
18 November, 1942

Griffin, Frederick Elswood
Lieutenant, R.C.N.V.R.
706 Dorchester St. Winnipeg, Man.
10 March, 1942

Griffiths, George H.
A/Commander, (now Cdr.) R.C.N. (Temp)
Upwood Farm, Berwick, Hants Co. N.S.
1 January, 1943

Griffiths, John Charles
Chief E.R.A. R.C.N.V.R.
651 George St. North Battleford, Sask.
11 June, 1942

Grubb, Frederick Ernest
Lieut. R.C.N.
23 Redpath Place, Montreal, Quebec
19 May, 1942

[Mr. A. L. Macdonald.]

Guersette, Joseph Antonio Rene
Ordinary Seaman, R.C.N.V.R.
2 Windsor Avenue, Apt. 5, Sherbrooke, Que.
1 January, 1944

Guildford, Thomas Kerr
Able Seaman, R.C.N.V.R.
6 Ivanhoe St. Halifax, N.S.
4 November, 1941

Habart, Horace Bruce
A/Leading Smn. R.C.N.V.R.
667 King St. West, Toronto, Ont.
2 June, 1943

Hackney, William Watt
Lieut. R.C.N.R.
Westphal, Halifax, Co. N.S.
18 November, 1942

Harbour, Frank Rene
Acting P.O.
2021 Grand Trunk Pte. St. Charles
Montreal, Quebec
11 January, 1944

Harbroe, Frederick Marice
Leading Seaman, R.C.N.V.R.
1716 St. Louis Ave, Sandwich E. Ont.
1 January, 1943

Harte, Francis David Weston
Leading Seaman, R.C.N.V.R.
2718 Chabot St. Montreal, Quebec
2 June, 1943

Hartley, Maurice Samuel
Sub. Lieut. R.C.N.V.R.
5 Woodward Avenue, London, Ontario
11 June, 1942

Hatrick, Raymond Gardiner
Lieut. R.C.N.V.R.
3940 Cote de Neiges Road, Montreal, Quebec
4 May, 1943

Hay, J. M.
Sub. Lieut. R.C.N.V.R. (Temp)
276 Rockland Road, St. John, N.B.
2 June, 1943

Heard, Trevor Frederick
Leading Writer, R.C.N.V.R.
(now Lieut.)
58 Hampton Avenue, Toronto, Ontario
25 November, 1942

Hendry, George Ainslie (Posthumous)
Surg. Lieut. R.C.N.V.R. (Temp)
339 Walmer Road, Toronto, Ontario
1 January, 1943

Hermann, Charles Bismarck
Lieut. R.C.N.V.R. (Temp)
84 Waverly St. Ottawa, Ontario
1 January, 1944

Henshaw, V.
Stoker 1st. Class, R.C.N.V.R.
Mayne Island, B.C.
21 December, 1943

Hetherington, Thomas Alexander
Reg. P.O. R.C.N.
Sarcee Reserve, Calgary, Alberta
1 January, 1943

Heward, John Edisforth
Sub. Lieut. R.C.N.V.R. (Temp)
(now Lieut.)
462 Mountain Avenue, Westmount, Quebec
26 July, 1940

Hickey, L. A.
Skipper Lieut. R.C.N.R.
15 Preston St. Halifax, N.S.
2 June, 1943

Hicks, Robert G.
Leading Telegrapher, R.C.N.V.R.
2161 Dawlist Avenue, Niagara Falls, Ontario
2 June, 1943

Hilton, Frank Biddulph
Reg. P.O. R.C.N.V.R.
(now Master-at-Arms)
715 King St. London, Ontario
1 January, 1943

Hodgkinson, John James
Lieut. R.C.N.R.
681 Melrose Avenue, Verdun, Quebec
2 June, 1943

Hodgkinson, John James
A/Lieut. Cdr. R.C.N.R.
681 Melrose Avenue, Verdun, Quebec
18 August, 1943

Holmes, Lawrence William
Leading Telegrapher, (Temp), R.C.N.
Smooth Rock Falls, Ontario
1 January, 1943

Hyslop, Clifton Thomas Williams
Sub. Lieut. R.C.N.V.R.
27 Connaught Avenue South
Hamilton, Ontario
20 October, 1942

Hunter, William Edward
Signalman, R.C.N.V.R.
69 Mayfair Avenue, Toronto, Ont.
4 November, 1941

Holingworth, B. H.
A/Leading Sig. R.C.N.V.R.
2654 Rozil Avenue, Pte. St. Charles
Montreal, Quebec
2 June, 1943

Horne, Leslie (Posthumous)
Able Seaman R.C.N.V.R.
489 Atlantic Avenue, Winnipeg, Man.
25 November, 1942

Hughes, Edwin Thompson
Acting Leading Seaman, R.C.N.V.R.
374 E. Francis St. Fort William, Ont.

Husher, John
Sub. Lieut. R.C.N.V.R.
199 Sherwood Ave. London, Ont.
19 October, 1943

Hutchings, Frank Goddard
Lieut. R.C.N.R. (Temp)
(now A/Lieut. Cdr)
164 44 Ave., Lachine, Quebec
1 January, 1944

Johnson, Arnold Livingstone
Surg. Lieut. R.C.N.V.R.
2560 Pie IX Blvd., Apt. 8,
Montreal, Quebec
3 December, 1942

Joy, A. P. G.
Lieut. R.C.N.V.R.
295 Glencairn Ave., Toronto, Ont.
21 December, 1943

Judges, Ronald Alfred
Lieut. R.C.N.V.R. (Temp)
Now A/Lieut. Cdr.
282 Armadale Avenue, Toronto, Ont.
1 January, 1944

Katanna, W.
Leading Stoker, R.C.N.V.R.
230 1 St. East, Geraldton, Ont.
21 December 1943

Kehoe, William Eric
Able Seaman, R.C.N.R.
21 Birch Avenue, N. Toronto, Ontario
19 August, 1943

Kerry, Walter Robert
Chief Stoker, R.C.N.
4333 Francis St., Vancouver Heights,
Vancouver, B.C.
1 January, 1943

Kidston, John Richard
Lieut. Cdr. R.C.N.V.R. (Temp)
Box 1128, Vernon, B.C.
1 January, 1944

Kitchen, Cyril Frederick (posthumous)
A/Leading Stoker, R.C.N.R.
51 York Road, Dundas, Ontario
15 September, 1942

Koyl, Jack Eardley
Lieut. R.C.N.V.R.
753 McMillen Avenue, Winnipeg, Manitoba
21 December, 1943

Lade, H. E.
Lieut. R.C.N.R. (Temp)
P.O. Box 62, Brooklin, Ont.
2 June, 1943

LaDeroute, Norbert Joseph
E.R.A. 3/Class, R.C.N.R.
405 N. Syndicate Ave., Fort William, Ont.
1 January, 1943

Ladner, Thomas Ellis
Lieut. R.C.N.V.R. (Temp)
1837 Matthews Avenue, Vancouver, B.C.
10 November, 1942

Lalonde, Albert J.
Chief E.R.A., R.C.N.R .
32 Sydenham St., Kingston, Ontario
2 June, 1943

Law, Charles Anthony Francis
Lieut. R.C.N.V.R. (Temp)
220 Grande Allee, Quebec, Quebec
31 March, 1942

Leggett, Harry Furness
Able Seaman, R.C.N.
Victoria, B.C.
18 October, 1940

Lawrence, Harold Ernest Thomas
Sub. Lieut. R.C.N.V.R.
(Now Lieut.)
47 Union St. Halifax, N.S.
19 May, 1942

Johnson, Frederick James Gordon,
Lieutenant, R.C.N.V.R.
Invermere, B.C.,
1 January, 1943.

Leckie, Norman
S.B.A., R.C.N.V.R.
770 Glasgow St., London, Ont.
3 December, 1942

Lehto, Leo Paul
Able Seaman, R.C.N.R.
Box 441, Sioux, Lookout, Ont.
3 March, 1942

Lester, Richard Kingsley
Lieut. R.C.N.V.R.
2360 Marine Drive, West Vancouver
British Columbia
25 November, 1942

Levesque, Joseph Ange Maurice
Lieut. R.C.N.R. (Temp)
137 Ste-Anne St. Quebec, P.Q.
1 January, 1944

Levirs, Woolston John
Leading Smn. (Sailmaker's Mate) R.C.N.V.R.
2018 Stanley Victoria, B.C.
1 January, 1943

Lewis, David James
Sub Lieut. R.C.N.V.R.
31 Ramesay Road, Westmount, Quebec
2 October, 1942

Littler, John C.
Lieut. R.C.N.R. (Temp)
Strathcona Hotel, Victoria, B.C.
1 January, 1943

Logie, Donald
Lieut. R.C.N.V.R. (Temp)
173 Princess St. Saint John, N.B.
1 January, 1944

Lowe, D. S.
Chief Stoker P.O., R.C.N.
Esquimalt, B.C.
2 June, 1943

MacLean, Douglas Thistle
Ord. Smn. R.C.N.V.R.
(now Sub. Lieut.)
Box 21, Barrhead, Alberta
16 December, 1942

McConney, Allen Edward
A/Leading Smn. R.C.N.V.R.
275 Glencairn Avenue, Toronto, Ont.
25 November, 1942

McCormick, Keith
Leading Stoker, R.C.N.R.
Pelee Island, Ontario
3 December, 1942

McGregor, Lloyd John
Petty Officer, R.C.N.V.R.
89 Edgemont Avenue
North Hamilton, Ont.
21 December, 1943

McAlpine, Edward
Chief E.R.A., R.C.N.R.
6990 De L'Epee Avenue, Montreal, Quebec
2 June, 1943

McGuire, James Patrick
E.R.A. 3/Class, R.C.N.V.R.
5475 8 Avenue, Montreal, Quebec
1 January, 1943

McGuire, J. P.
E.R.A. 3/class, R.C.N.V.R.
5475 8th. Ave. Montreal, Quebec
2 June, 1943

McIntyre, Buryl A. S.
Ordinary Seaman, R.C.N.V.R.
61 Province St. S., Hamilton, Ont.
2 October, 1942

McLarnon, Alexander McAllister
Lt. Cdr. R.C.N.R.
5 Lincoln St., Manchester, Mass.
2 June, 1943

McGee, Donald
P.O. Telegrapher, R.C.N.
463 Tecumseh Avenue, London, Ontario
2 June, 1943

McIlhagga, Liston Burns
Sub. Lieut. R.C.N.V.R. (Temp)
944 Sherburn St., Winnipeg, Manitoba
5 October, 1942

McLean, Timothy Blair
Surg. Lieut. R.C.N.V.R. (Temp)
10621 83 Avenue, Edmonton, Alberta
18 October, 1940

McLeish, John Alexander Fowler
Mate, R.C.N.R. (Temp)
36 Ballrack Avenue, Prestwick Ayrshire Co. Scotland
18 November, 1942

McMahon, Harold J.
Stoker 1/Class, R.C.N.R.
324 Blanche St., Sarnia, Ont.
2 June, 1943

McQueen, Leonard Andrew
A/Yeoman of Signals, R.C.N.V.R.
165 Guilford St., Saint John, N.B.
1 January, 1943

Mahar, Wilfred J.
A/Petty Officer, R.C.N.V.R.
303 Fitzroy St., Charlottetown, P.E.I.
2 June, 1943

Mainguy, Edmond Rollo
Commander, R.C.N.
Heanitree Farm, Herd Road, Duncan VI, B.C.
1 January, 1941

Marshall, Jordan Hamilton
A/Lt. Cdr. R.C.N.V.R.
(now Lieut. Cdr.)
31 Ellis Ave. Windsor, Ont.
2 June, 1943

Martin, Douglas Sutherland
Sub. Lieut. R.C.N.R. (Temp)
103 Victoria Road, Halifax, N.S.
3 December, 1942

Martin, John Trevor
Able Seaman, R.C.N.
P.O. Box 343, Ottawa, Ontario
29 June, 1943

Mayne, Arthur Hugh Shaw
Lieutenant, R.C.N.V.R. (Temp)
299 Grosvenor Avenue, Westmount, Montreal, Quebec
1 January, 1943

Medford, Kenneth Alleyne
A/Leading Seaman, R.C.N.V.R.
2144 Addington Avenue, Montreal
18 November, 1942

Merryweather, Hugh (posthumous)
Coder, R.C.N.V.R.
9818 103rd St. Edmonton, Alberta
1 January, 1944

Middleton, Robert Earl
Acting Leading Seaman, R.C.N.
(now P.O.)
107 Park Hill Blvd., Peterboro, Ont.
18 February, 1941

Miles, George Ralph, OBE
Commander R.C.N.
33 Seeley St., Saint John, N.B.
11 January, 1944

Miller, Stanley Frennor
Able Seaman, R.C.N.
208 11 St. Saskatoon, Sask.
4 May, 1943

Mills, Ernest George
Chief E.R.A. R.C.N.
308 Robert St. Victoria, B.C.
11 January, 1944

Mills, Michael Stuart
Sub. Lieut. R.C.N.V.R. (Temp)
11 Thornwood Road, Toronto, Ont.
21 October, 1941

Mitchell, Bruce Richard
Able Seaman, R.C.N.V.R.
38 Lockwood Road, Toronto, Ont.
3 December, 1942

Mitchinson, Norman, A.W.R.K.
R.C.N.V.R.
2376 Barker St. Niagara Falls, Ont.
2 October, 1942

Moist, Frederick Harold
Chief P.O. R.C.N.V.R.
328 Michigan St. Victoria, B.C.
1 January, 1943

Moore, Charles Henry Edwin
Leading Seaman, Leading Torpedo Operator
R.C.N.V.R.
12 Stonehouse Cres. Toronto, Ontario
25 November, 1942

Moorhouse, Arthur
Lieut. R.C.N.R. (Temp)
74 Harvard St. Halifax, N.S.
2 June, 1943

Moore, Stuart Grant
Sub. Lieut. R.C.N.
2316 E 11 Ave. Vancouver, B.C.
17 February, 1942

More, Edward M.
Lieut. R.C.N.R. (Temp)
Liverpool, N.S.
2 June, 1943

Morgan, Frederick Joseph
Leading Signalman, R.C.N.R.
Idlewyld Road, Armdale, Halifax, N.S.
11 June, 1942

Morris, Edgar
Chief Stoker, R.C.N.V.R.
41 Latimer Avenue, Toronto, Ontario
25 November, 1942

Mosher, R. M.
Lieutenant, R.C.N.R. (Temp)
Armdale P.O. Halifax, N.S.
2 June, 1943

Moxley, Henry William Atthelstan
Lieutenant, R.C.N.V.R.
633 Eastern Avenue, Toronto, Ont.
1 June, 1943

Muir, John George
Ordinary Seaman, R.C.N.V.R.
1128½ 4th Ave. Owen Sound, Ontario
2 June, 1943

Murray, L. W.
Leading Signalman, R.C.N.V.R.
1578 Davenport Road, Toronto, Ontario
1 June, 1943

Myra, George Abraham
Skipper Lieut. R.C.N.R. (Temp)
P.O. Box 61, Lunenburg, N.S.
1 January, 1944

Neely, Melvin Orton William
Leading Stoker, R.C.N.R.
314 Nenson St. Sarnia, Ontario
8 May, 1943

Newcomb, Frank Edward
Chief Petty Officer, R.C.N.R.
Hantsport, Nova Scotia
1 January, 1944

Northgrave, Glen Allen
Sub. Lieut. R.C.N.V.R. (Temp)
RR No. 1 York Mills, Ontario
2 October, 1942

O'Hara, Ian Wallace (Posthumous)
Ordinary Seaman, R.C.N.V.R.
10 Springfield Ave., Westmount, Quebec
4 November, 1941

Oliphant, William
Leading Stoker, R.C.N.V.R.
Carbon, Alberta
1 January, 1944

Osburn, Anthony George
Lieutenant, R.C.N.V.R. (Temp)
1550 W 15 Avenue, Vancouver, B.C.
18 November, 1942

Parr, Alex McDonnell
E.R.A. 3/Class, R.C.N.R.
1342 Nelson St. Vancouver, B.C.
16 December, 1942

Patry, Joseph Edmond
Chief Stoker, R.C.N.
Apt. D, 145 Scott St. Quebec, Que.
3 December, 1942

Paver, E. A.
P.O. Stoker, R.C.N.
1428 Denman St. Victoria, B.C.
2 June, 1943

Pavillard, Louis Raymond
Lieut. R.C.N.R.
(now A/Lieut. Cdr.)
22 Tobin St. Halifax, N.S.
1 January, 1944

Patterson, Howard Arnold
Ordinary Seaman, R.C.N.
Lawrence Avenue, Kelowna, B.C.
18 October, 1940

Peattie, Edward Younger
A/Chief E.R.A. R.C.N.R.
Edward St. Powassan P.O. Ontario
1 January, 1943

Peterkin, Douglas Hugh
Able Seaman, R.C.N.V.R.
732 Manning St. Verdun, Quebec
18 May, 1943

Peterson, Charles
Lieutenant, R.C.N.R. (Temp)
88 Oakland Road, Halifax, N.S.
15 September, 1942

Pickard, Antony Fenwick
Mate, R.C.N.R. (Temp)
(now Lieut.)
Paymaster Mines, South Porcupine, Ont.
3 March, 1942

Pickford, Reginald John
Sub. Lieut. R.C.N.V.R.
1120 Bernard Avenue, Apt. 26
Outremont, Montreal, Quebec
26 July, 1940

Pidcock, Paul Mortimer
Lieut. R.C.N.V.R.
3637 University St. Montreal, Que.
10 November, 1942

Plant, Frank O.
Sub. Lieut. R.C.N.V.R.
170 Clemow Avenue, Ottawa, Ontario
25 November, 1942

Pleasance, Ernest Stanley Nelson
Skipper Lieut. R.C.N.R. (Temp)
228 Second St. Collingwood, Ontario
1 January, 1944

Pope, William
Lieut. (E) R.C.N.R. (Temp)
4558 West 15 Avenue, Vancouver, B.C.
25 November, 1942

Powell, John A.
Sub. Lieut. R.C.N.V.R. (Temp)
290 Coltrin Road, Rockcliffe Park, Ont.
22 August, 1942

Pullen, Hugh Francis
Commander, R.C.N.
Oakville, Ontario
1 January, 1943

Raine, J. B.
Lieut. R.C.N.R. (Temp)
586 Sherbrooke St. Peterboro, Ont.
2 June, 1943

Randell, Egbert
Lieutenant, R.C.N.R. (Temp)
4517 Hingston Avenue, N.D.G. Montreal, Que.
1 January, 1943

Reid, James Quincey
Chief Motor Mechanic, III R.C.N.R.
North Sydney, N.S.
1 January, 1943

Reddon, Richard A.
Ordinary Seaman, R.C.N.V.R.
Olds, Alberta
2 June, 1943

Rees, Arthur Joseph Roger
Acting Chief E.R.A. R.C.N.V.R.
2864 West 3rd Ave. Calgary
1 January, 1944

Rhoades, Henry Mason
Cook, R.C.N.V.R.
408 Sicard Avenue, Maisonneuve, Montreal
22 July, 1941

Ritson-Bennett, William Martin
Able Seaman, R.C.N.R.
924 Riverdale Avenue, Calgary, Alberta
1 January, 1944

Robertson, C.A.
Chief Motor Mechanic, R.C.N.V.R.
303 E44 Avenue, Vancouver, B.C.
21 December, 1943

Robertson, Donald Morrison
Able Seaman, R.C.N.
Main St. Watrous, Sask.
22 July, 1941

Robson, Robert Gordon
Mate, R.C.N.R. (Temp)
2924 Marine Drive, West Vancouver, B.C.
2 June, 1943

Ross, Charles A.
Chief E.R.A. R.C.N.R.
1145 Greenwood Avenue. Toronto, Ont.
2 June, 1943

Ross, James Richard Henry
Able Seaman, R.C.N.
369 E30 Avenue, Vancouver, B.C.
18 October, 1940

Ruddle-Browne, Herbert William
Mate, R.C.N.R. (Temp)
22 Elm St. West, Apt. 44
Sudbury, Ontario
19 May, 1942

Rutherford, Clark Anderson (Posthumous)
A/Lieut. Cdr. R.C.N.
465 Pleasant Avenue, Westmount, Que.
1 January, 1943

[Mr. A. L. Macdonald.]

Saint-Martin, Jean, M.D.
Surgeon Lieut. R.C.N.V.R. (Temp)
2364 Fullum St. Montreal, Que.
1 January, 1944

Saulnier, Joseph Melbourne
Able Seaman. R.C.N.V.R.
Meteghan River, Digby Co., N.S.
29 June, 1943

Saunders, George Joseph
Able Seaman, R.C.N.V.R.
5553 11 Avenue, Rosemont, Montreal, Que.
18 November, 1942

Saunderson, James Benjamin
Acting P.O. R.C.N.V.R.
Hurdman's Bridge, Ontario
1 January, 1944

Scott, Hugh
Stoker. P.O. R.C.N.R.
Pine Lodge, Rawdon, Que.
1 January, 1944

Scullion, Michael Joseph
Able Seaman, R.C.N.V.R.
3137 Wellington St. Verdun, Que.
3 December, 1942

Schuthe, George McDonald
Sub. Lieut. R.C.N.V.R.
5658 Dalhousie Road, Vancouver, B.C.
16 October, 1943

Senior, Charles Robin Arthur
Lieut. R.C.N.V.R.
333 Metcalfe St. Ottawa, Ont.
18 May, 1943

Sharpe, James Arthur
Able Seaman, R.C.N.
R.R. 1 Royal Oak, B.C.
11 June. 1942

Shaw, Edward Pearce
Lieut. R.C.N.V.R. (Temp)
4 Havilland St. Charlottetown, P.E.I.
1 January, 1943

Sisson, Melvin Roy
Able Seaman, R.C.N.R.
1504 West 5 St. Vancouver, B.C.
1 January. 1943

Skeggs, Charles Frederick
A/Leading Seaman, R.C.N.V.R.
953 Hackett St. London Ontario
16 December, 1942

Slavin, John Vincent
Ordinary Seaman, R.C.N.V.R.
855 Church Avenue, Verdun, Que.
4 November, 1941

Stannard, Leslie A.
Able Seaman, R.C.N.V.R.
124 Talbot Avenue, Winnipeg, Man.
2 June, 1943

Stephen, George H. D.S.C. O.B.E.
Lieut. Cdr. R.C.N.R.
2284 Hampton Avenue, Montreal, Que.
2 June, 1943

Stairs, John Fitzwilliam
Lieut. Cdr. R.C.N.V.R.
25 Ste. Genevieve St. Quebec, Que.
18 May, 1943

Stanley. Alfred George
Lieut. Cdr. R.C.N.R.
Stormont, Country Harbour, N.S.
18 May, 1943

St. Pierre, Francis
Able Seaman, R.C.N.
Camrose, Alberta
18 October, 1940

Strom, Axel
Motor Mechanic R.C.N.R.
42 West 62 Street, Vancouver, B.C.
1 January. 1943

Stuart, Robert Innes
E.R.A. 4/class R.C.N.V.R.
212 5 Avenue, Ottawa, Ont.
18 November, 1942

Sutherland, Donald Marshall
Sub. Lieut. R.C.N.V.R. (Temp)
(now Lieut.)
340 Main St. N., Weston, Ont.
6 January, 1942

Sutherland, Walter Frederick
Leading Telegrapher, R.C.N.V.R.
749 Riverview Avenue, Verdun, Que.
3 December, 1942

Symons, Douglas Bond
Lieutenant, R.C.N.V.R. (Temp)
47 Warren Road, Toronto, Ontario
24 February, 1942

Taggart, Harry Reid
Steward, R.C.N.V.R.
48 Edward St. Halifax, N.S.
3 December. 1942

Thomasset, G. M.
Acting Chief P.O. R.C.N.
P.O. Box 45, Fife Lake. Sask.
2 June, 1943

Thompson, Peter Andrew Ruttan
Lieutenant, R.C.N.V.R. (Temp)
43 William St., Oakville, Ont.
15 September, 1942

Thompson, Peter Andrew Ruttan
Sub. Lieut. R.C.N.V.R.
43 William St., Oakville, Ont.
26 July, 1940

Tibbetts, Hugh Alan Leigh
Lieutenant, R.C.N.V.R.
221 Nelson St. Fort Francis, Ont.
16 March, 1943

Titus, Walter Edward Weir
A/Leading Stoker, R.C.N.R.
Westport, Digby Co., N.S.
2 June, 1943

Trottier, Frederick A.
Petty Officer, R.C.N.
73 Arlington Ave, Ottawa, Ont.
25 November, 1942

Udell, Frank Ernest K.
Lieut. R.C.N.V.R. (Temp)
423 St. Joseph's Blvd. E. Apt. 4
Montreal Que.
13 October, 1942

Vet, Jan
Chief E.R.A. R.C.N.R. (now A/Warrant)
4562 St. Catherine St. East, Montreal, Que.
1 January, 1943

Walker, J. R.
Lieut. (SB) R.C.N.V.R.
4 Lauder Ave. Toronto
1 January, 1944

Walkley, John Molson (Posthumous)
Lieut. R.C.N.V.R.
4390 Oxford Ave., N.D.G., Montreal, Que.
22 December, 1942

Wallace, William Bruce
Surg. Lieut. R.C.N.V.R.
211 Dunnigan Road, Toronto, Ont.
11 January, 1944

Warwick, Ralph Berton
Lieut. Cdr. R.C.N.V.R. (Temp)
Westfield Centre, King's County, N.B.
1 January, 1944

Waters, Donald MacKenzie
Midshipman, R.C.N.
(now Sub. Lieut.)
267 Roxborough St. E., Toronto, Ont.
8 January, 1942

Watson, Kenneth William (Posthumous)
Ordinary Seaman, R.C.N.
Box 545, Revelstoke, B.C.
3 December, 1942

Whelan, E.
Motor Mechanic, R.C.N.V.R.
Box 144, Orangeville, Ont.
21 December, 1943

Whelan, E.
A/Petty Officer, R.C.N.V.R.
Orangeville, Ont.
4 May, 1943

White, Alexander A.
Chief P.O. R.C.N.
373 Maryland St. Winnipeg, Man.
25 November, 1942

White, John Cyril
Able Seaman, R.C.N.V.R.
943 Dame St., London, Ont.
18 August, 1943

Whittall, James William
Lieut. R.C.N.V.R.
27 Tudor Manor, Vancouver, B.C.
4 May, 1943

Whynot, Roger Rodman
Leading Supply Assistant, R.C.N.V.R.
Mahone Bay, N.S.
3 December, 1942

Wilkinson, Joseph Graham
Petty Officer Telegraphist, R.C.N.
563 McMillan Ave., Winnipeg, Man.
25 November, 1942

Wilkinson, Norman Leslie
A/Gunner, R.C.N.
Brandon, Man.
3 December, 1942

Wilson. James Sutherland
Lieut. Cdr. R.C.N.V.R.
206 Barrington St. Halifax, N.S.
11 June, 1942

Wilson. R.F.
Lieut. R.C.N.V.R.
no address given
1 January, 1944

Winn, J. W.
A/Chief P.O. R.C.N.R.
17 Land St., Hamilton, Ont.
29 June, 1943

Wiseman, Carl William
P.O. Electrician, R.C.N.V.R.
Newport, N.S.
1 January, 1943

Woodliffe, Michael Frederick
Able Seaman, R.C.N.V.R.
638 5 St. Saskatoon, Sask.
29 May, 1943

Wright, W. M.
A/E. R. A. 4/class, R.C.N.V.R.
37 Dalkeith Avenue, Hamilton, Ontario
2 June, 1943

Young, E. J. R. W.
Lieutenant, R.C.N.V.R.
no address given
21 December, 1943

Young, Morris Henry
Able Seaman, R.C.N.V.R.
7503 Querbes Avenue, Montreal, Que.
3 December, 1942

Young, Robert MacKenzie
Temp. Lieut. R.C.N.V.R.
2449 Gouin Blvd. West Montreal, Quebec
10 November, 1942

NON-OPERATIONAL AWARDS

The following is a complete record of all non-operational awards granted to members of the Naval Service since the outbreak of hostilities up to, and including, the present date:

O.B.E.	8
M.B.E.	17
B.E.M.	13
C.B.	3
C.B.E.	6
A.R.R.C.	3
Royal Humane Society	3
Bar Palestine	6
Commendation	6
King's Dirk	1
Albert Medal (life saving)	1
	67

PRIVATE BILLS

On the order for first reading of senate bills:

Mr. SPEAKER: If the house agrees I shall refer to these bills by number.

Hon. R. B. HANSON (York-Sunbury): Mr. Speaker, before this motion is carried I desire to take advantage of the opportunity which it presents to reaffirm the position which I have taken in regard to this matter.

Mr. SPEAKER: The first reading of senate bills is not debatable.

Mr. HANSON (York-Sunbury): I do not know why I cannot speak now. I can speak on the question of procedure, I believe. I am not consenting to this at the moment.

Mr. SPEAKER: Standing order 71 provides:

When any bill is presented by a member, in pursuance of an order of the house, or is brought from the Senate, the question, "That this bill be now read a first time," shall be decided without debate or amendment.

Mr. CHURCH: May not the house refuse leave?

FIRST READINGS—SENATE BILLS

Bill No. 10, for the relief of Theodore Zalopany.—Mr. Gray.

Bill No. 11, for the relief of Thelma Alice Warren Whittet.—Mr. Fulford.

[Mr. A. L. Macdonald.]

Bill No. 12, for the relief of Ethel Sangster Muir.—Mr. Factor.

Bill No. 13, for the relief of Kiril John Christo.—Mr. Gray.

Bill No. 14, for the relief of Helaine Ethel Leopold Lax.—Mr. McIlraith.

Bill No. 15, for the relief of Cecil Benjamin Pomeroy.—Mr. McIlraith.

Bill No. 16, for the relief of Pinnie Rosenhek Leopold.—Mr. Casselman (Grenville-Dundas).

Bill No. 17, for the relief of Paul Sanson White.—Mr. Fulford.

Bill No. 18, for the relief of Mary Hope Beers Ross.—Mr. McIlraith.

Bill No. 19, for the relief of Wasyl Usypchuk, otherwise known as William Usypchuk.—Mr. Factor.

Bill No. 20, for the relief of Walter Stanley Spencer.—Mr. Fulford.

Bill No. 21, for the relief of Emma Gertrude Groves Morris.—Mr. Hill.

Bill No. 22, for the relief of Gertrude Margaret Amy Ogilvie.—Mr. Hazen.

Bill No. 23, for the relief of Myrtle Josephine Teel Odell.—Mr. Emmerson.

Bill No. 24, for the relief of Majorie Helen Parker Leduc.—Mr. Boucher.

Bill No. 25, for the relief of Margaret Derry Kirby.—Mr. Boucher.

Bill No. 26, for the relief of George Thomas Bragger.—Mr. Hill.

Bill No. 27, for the relief of Freda Watson Norman Daniels.—Mr. Emmerson.

Bill No. 28, for the relief of Iris Mabel Dash Wilkinson.—Mr. Hill.

Bill No. 29, for the relief of Joseph Ulric Edouard Burns.—Mr. Hill.

Bill No. 30, for the relief of Thomas Henry Dwyer.—Mr. MacInnis.

Bill No. 31, for the relief of Elsie Margaret Ormandy Henderson.—Mr. Boucher.

Bill No. 32, for the relief of Arthur Charles Duffy.—Mr. Gray.

Bill No. 33, for the relief of Kathleen Edna Ellis Wainwright.—Mr. Hill.

Bill No. 34, for the relief of Diana Lenore Carsley Tenenhouse.—Mr. Gray.

RADIO BROADCASTING

INQUIRY AS TO APPOINTMENT OF GOVERNOR AND GENERAL MANAGER OF C.B.C.

On the orders of the day:

Mr. GORDON GRAYDON (Leader of the Opposition): I should like to ask the Minister of National War Services when he expects to be in a position to announce the appointment of the new governor to the board of the Canadian Broadcasting Corporation, and also when the general managership of the corporation is to be filled?

Hon. L. R. LaFLECHE (Minister of National War Services): The hon. member was kind enough to let me have a notice of his question. In reply to the first question, I am not yet in a position to make an announcement; and in regard to the appointment of a general manager to the Canadian Broadcasting Corporation, I have not yet had recommendation from the board of governors. I shall be very happy to announce the appointments to my hon. friend and to this house at the earliest possible moment.

Mr. GRAYDON: It is six months since we had a general manager.

Mr. LaFLECHE: May I reply to the second question? I simply wish to observe that of all Canadian citizens the hon. member for Peel (Mr. Graydon) should understand that appointments cannot always be made immediately. He himself is acting, and has been for a long time.

FISHING INDUSTRY

PACIFIC COAST—LING COD—TIE-UP OF FISHING VESSELS

On the orders of the day:

Mr. ANGUS MacINNIS (Vancouver East): I should like to put a question to the Minister of Fisheries. I regret I did not have time to give him notice of it. Is the minister aware that two hundred and fifty fishing vessels ordinarily engaged in ling cod fishing are tied up at the present time on the Pacific coast because of the dispute between the fishermen and the fishing companies over the price of ling cod as set by the wartime prices and trade board? Would the minister be kind enough to take this as a notice and reply on Thursday?

Hon. ERNEST BERTRAND (Minister of Fisheries): I shall ask the hon. gentleman to put his question on the order paper.

Mr. HANSON (York-Sunbury): No; it is on now.

Mr. BERTRAND (Laurier): There are two or three questions in the one question.

ROYAL CANADIAN AIR FORCE

CLOSING OF CERTAIN TRAINING SCHOOLS

On the orders of the day:

Mr. J. G. DIEFENBAKER (Lake Centre): I should like to ask the Minister of National Defence for Air a question with regard to the announcement that was made yesterday with respect to the closing of certain elementary flying schools, service training schools and air observer schools. What was the basis for determining the particular schools to be closed? Was it on the basis of administrative weaknesses, or non-flying facilities, or of there being too many accidents in the schools? I ask the question because the people in the districts are anxious to know the circumstances connected with the closing of the schools.

Mr. SPEAKER: This is a question that cannot be answered to-day. The minister may take note of it and answer it at the proper time.

WAR SAVINGS STAMPS

ANNOUNCEMENT OF RESULT OF FOOD INDUSTRY'S FEBRUARY DRIVE

On the orders of the day:

Mr. D. C. ABBOTT (Parliamentary Assistant to the Minister of Finance): On behalf of the Minister of Finance I should like to announce the most successful result of the food industry's February war savings stamp drive. The food industry established for themselves an objective of $2,000,000. They have obtained total sales of $3,055,188, being fifty-three per cent in excess of their objective.

Never before in the history of war savings have so many stamps been sold in a single month. The success of this campaign has been a stimulant to the war savings effort. I am confident that its impetus will be an important factor in emphasizing the need for greatly increased and continuing sales of war savings stamps throughout the year. I cannot speak too highly of the efforts of the thousands of people who did so much to make this campaign a success. They have made an important contribution to our war financing.

PENSIONS

ARREARS DUE TO OLD AGE PENSIONERS AND CERTAIN WAR VETERANS

On the orders of the day:

Mr. D. G. ROSS (St. Paul's): Will the Minister of Pensions and National Health endeavour to speed up the back payments which are due to old age pensioners and burned out veterans, whose pensions I think were increased last January? I have had many inquiries in this connection.

Hon. IAN A. MACKENZIE (Minister of Pensions and National Health): Of course I am only concerned directly with those in receipt of the war veterans' allowance. The old age pensioners come under the Department of Finance, but I shall be glad to direct the attention of the parliamentary assistant to the Minister of Finance (Mr. Abbott) to the question.

INDUSTRIAL DEVELOPMENT BANK

PROVISION OF ADDITIONAL CREDIT FACILITIES FOR FIXED AND WORKING CAPITAL

The house resumed from Monday, March 13, consideration of the motion of the Minister of Finance for the second reading of Bill No. 7, to incorporate the Industrial Development bank.

Mr. H. R. JACKMAN (Rosedale): Mr. Speaker, it has long been the opinion of some that there was a need in Canada for an industrial development bank or some similar institution which would advance intermediate credit to small businesses. But while there may have been a need, such an institution never got under way, and I believe this house may be interested in some of the reasons why a bank of the kind never flourished in this or any other country. While one may advocate an industrial development bank, nevertheless one should look at the proposal very critically.

In Canada there has always been plenty of money both for long term investment and for working capital, as well as for intermediate credit if that was a desirable form of credit to advance to industry. When the parliamentary assistant to the Minister of Finance (Mr. Abbott) outlined the need for the proposed bank he set out, if I may say so, very sketchily the details or reasons why that bank should be incorporated at the present time, and particularly why it should come under the Bank of Canada. The main purpose he suggested was to help small industries. There was no suggestion on his part, beyond a mere expression of probabilities in the future, that investment dealers had not supplied sufficient permanent capital, or that there has been an over-centralization of commercial banking to the extent that credit was not forthcoming to small industries which might have deserved better treatment in regard to working capital. He did not say, nor does the preamble contain any suggestion, that this bill was designed primarily to create employment in the post-war period, though I suspect that this may be one of the chief reasons behind the bill, and also the reason it has received support from so many quarters in this house. Should a loss be sustained in the operation of this bank, though at the same time the bank may help create employment, it may very well be that the loss will be counted small in view of the greater gain. Then it has been thought by some that this bill aims to prevent a depression by avoiding the under-investment of savings which, according to some theories, initiates a downward trade cycle. We find nothing in that regard in the preamble, but it could be read into the bill, and I should like to know from the parliamentary assistant whether or not that consideration was in the mind of the government in bringing down the measure at this time.

I have just suggested, Mr. Speaker, that there were reasons why this type of credit institution did not get going previously; because there always has been the same need though perhaps not in the same degree. We find that these institutions were considered in the Macmillan report, which dealt also with the types of credit obtained by industries in various other countries. In Germany, for instance, we found that the banks were hand in glove with industry; that before a new company was formed the banks provided the money, stated what the capital should be, and eventually sold the securities to their depositors. In France there was also a close tie-up between the banks and industry, and there was some tie-up in the United States. In Great Britain, however, the connection between the banks and industry was not nearly as close as in the other countries I have mentioned; and the Macmillan report of 1932 recommended that there should be a closer connection, that an intermediate credit bank or an industrial development bank should be created, particularly for the purpose of increasing foreign trade.

I have always had a personal interest in these intermediate credit banks, which, as I say, never really got going. Apparently the only way they could proceed was to start in a small way, prove themselves worth while and, if they made a profit, expand and serve a greater need. But that did not come about. One small company was formed in the city of London for the purpose of supplying intermediate credit, but the experience of that company, according to the last information I had, which was before the war, was not such as would justify its expansion. It was found that if you lent $50,000 or perhaps $250,000 to a small company, you virtually had to become a partner in that industry in order to watch the loan. It was not like a commercial loan, which would come back to you within a year or so; it was an extension of credit for from five to twenty years, and you had to become almost a partner in the business in order to make sure that the money would be returned to you without loss. It has always been desirable to help the small business man, not only from an altruistic point of view but because, in the view of business men and bankers, the small business is simply one that hopes to become large. One difficulty in connection with extending

intermediate credit to a small industry has been that if it issued bonds or stocks the investing public were not interested in them because there were not enough of the bonds or stocks outstanding to create a market on the exchanges or through the investment dealers, so that it was almost impossible to resell the issue after it was purchased in the first place by an investment dealer.

Are present conditions very different from the conditions which existed before the war? To-day we have a great number of new factories. Small factories have grown large; in fact it is said that the industrial capacity of this country is approximately one-third larger than it was in 1939. Existing plants engaged in the production of civilian goods will require modernization and expansion after the war. They will need to make use of some of the new techniques developed during the war, and they will require fresh capital with which to buy new machinery. Again, if we are to maintain anything like our present employment we must develop our foreign markets to the fullest extent possible; and the development of those markets, together with the extension of credit to our foreign customers, may well mean that a bank of this kind will have to advance credits which might not be easily forthcoming from private investors or any other credit institution under the set-up that exists to-day. The preamble states that it will be the purpose of this bank to extend credit to companies which may reasonably be expected to prove successful if a high level of national income and employment is maintained, but if those conditions prevail there will be no need for the government to establish a credit institution such as that set up under this bill. Money will be forthcoming literally in an avalanche if we can promise the maintenance of anything like the national income we have to-day. Even if it is 75 per cent or 80 per cent of it, there can be no question that the public will be more than willing to provide all the money that industry requires. Certainly the $100,000,000, which is the total of assets envisaged by this bank when it begins operations, will be a mere drop in the bucket as compared with the money which will be forthcoming if the conditions laid down in the preamble of the bill are true, and are really the conditions precedent to bringing into being the operation of this bank.

Furthermore before the government embarks upon any such legislation as this we should know not only our whole post-war programme, but more particularly what our post-war taxation is going to be. At the present time no corporation pays less than forty per cent of its earnings in taxation, even though those earnings be actually less than they earned in pre-war days. Then, should the earnings exceed the pre-war base, the average of 1936-39, the excess profits tax comes in and one hundred per cent of earnings above that base are taken away.

The purpose in imposing these taxes was the exact opposite of the purpose of this bill, and the exact opposite of the purpose of our post-war programme. Namely it was to throttle any expansion in civilian production. Labour was frozen, except in regard to war industries. War industries offered higher wages and took labour away from civilian industry—and quite properly—and that is how our war production got started. But if we are to look forward to civilian production going ahead—and we hope that civilian production will be the major form of production in the post-war period—then we must remove the hand from the throat of business, and reduce taxes, so that there may be some incentive and also some compensating reward for those ventures which prove unsuccessful, because business is more often unsuccessful than it is successful.

The need for extension of credit, such as this bill envisages, however, has been aggravated by the tax policy of which I was speaking. Because of the heavy incidence of the corporation and excess profits taxes, no company has been allowed to build up its working capital position, whereby it pays for its inventory and supplies, and pays its weekly wage bill before the goods are sold. Then there have been many small companies, some of which were just starting up and did not expect to make very much money, if any, during the early days, but, as obtains in a nursery, expected a period of five or seven years' credit before they woud get any return on their capital. All those companies, realizing that they could not go through the period of the war, which might be four, five or six years, threw up the sponge and sold out to other companies which had large organizations and could maintain themselves.

So that there has been a mortality among young, new and growing companies, and this condition has been aggravated by the incidence of war taxation. Moreover, not only is there Canadian money available for industrial development after the war, but we shall have United States and British money looking for expansion in Canada. We have here the advantages of imperial preference, and a relatively bomb-proof country. I predict there will be no scarcity of venturesome money if we have fair taxation legislation in Canada.

If there is need for intermediate credit, plus the economic justification for it, there will be private money in bountiful supply.

Let us assume the need for this institution. What of the method? We find that our chartered banks, our commercial banks, as of January 31, 1944 had deposits amounting to $4,344,000,000—and from that sum I omit the $600,000,000 government deposits. The loans against that total of $4,344,000,000 amounted to only $1,285,000,000. In other words, there was over three times as much money in our chartered banks to be lent as business was willing to take. If we go to the banks with any reasonable kind of proposition they will welcome us with open arms. If we go to pay off a loan, one which is considered reasonably good, the banks dislike it, and would much prefer that we borrow money, because they are simply plagued with money at the present time, and this sum of $100,000,000 as against the $4,344,000,000 of deposits is so small that it is not even a drop in the ocean.

There is no likely shortage of commercial funds facing the country now, nor may I say will there be in the post-war period. Furthermore we have the action of the Bank of Canada. Truly, it may only be a gesture, but the fact is that only recently it did reduce the rediscount rate from 2½ per cent to 1½ per cent. This indicates that there is plenty of money not only now but, in all likelihood, for the post-war period. Certainly that is the inference to be drawn from the bank's action. And it can be done; that is, the commercial banks can rediscount at the rate of 1½ per cent, making available to business more credit. Yet the government comes to us and says there is a need for this industrial development bank because there may be a shortage of adequate funds in the post-war period.

Mr. ABBOTT: Would the hon. member suggest that the banking system should lend money for ten years at 1½ per cent?

Mr. JACKMAN: I suggest that the commercial banking system should not lend money for ten years, and I also suggest that the industrial development bank should not lend money for ten years either. As I will show later in my remarks, there may be another set-up much more desirable than the one proposed in the bill.

Mr. RALSTON: Is that the hon. member's opinion? Is that just my hon. friend's personal view?

Mr. HANSON (York-Sunbury): Let him go on with his speech. We are not butting in with you.

Mr. RALSTON: Is that the view of my hon. friend?

Mr. HANSON (York-Sunbury): There is no cross-examination here.

Mr. RALSTON: Is that the view of the Progressive Conservative party?

Mr. GRAYDON: Keep politics out of this business.

Mr. HANSON (York-Sunbury): Don't be so fresh.

Mr. GRAYDON: Don't try to talk politics now. Let us have a holiday once in a while.

Mr. JACKMAN: It is easier for the commercial banks to advance the type of credit to which the parliamentary assistant had reference a moment ago.

In regard to longer term credit, much, while advanced by investment dealers, is collected in small rivulets and handed over to industry in large amounts, so that it may be economically useful. There is no shortage of money on that score and no shortage of machinery. In fact, investment dealers to-day are largely engaged in making the victory loans a success. And after that job is finished they will be only too delighted to get back into industrial banking, which is their ordinary business. If anything, the investment dealers' business is an industrial business. There is to-day a plentiful supply of money, and any sound business will find that it has offered to it all the money it can possibly use.

At page 1059 of *Hansard* the parliamentary assistant is reported to have said:

> But industry's own resources may be far short of the total amount of financing required. It is therefore in the national interest to ensure that such additional financing as may be necessary and desirable will be available to industrial enterprises.

He could not go farther than to say "may". I should like to know where the demand for this bank has sprung from. Is it a government measure Is it a brain child of the Bank of Canada, or where has the demand come from? If it is part of the over-all post-war plan, then let us see the post-war plan so that we can fit this piece into the whole scheme and realize just what significance it has and what part it is going to play. Moreover, if it is to be of any importance at all, the $100,000,000 of assets it is to be allowed to have will be so small that it will be of no consequence. It will be largely experimental. If the government believes in this type of business, and believes that it is sound, then it should provide an adequate amount. I should like to know whether the government has looked into the question whether a guarantee of credit under the existing lending institutions would not be sufficient without setting up another bank with all the overhead and cost that goes with it.

What does the bill suggest? Simply that industries which may reasonably be expected to prove successful if a high level of national income and employment is maintained will be granted credit. Such a condition would be nothing short of an investor's paradise. There will be no risk involved if we can maintain the national income at a high and fairly steady level. Therefore, if the government can do what it presupposes in the preamble it can do, there is no need which will not be satisfied by private enterprise. But, assuming that there will be a need in the future, is this bank to be anything more than a bank of last resort?

May I say to the parliamentary assistant and to the government that if the bank is to advance credit only where credit is not forthcoming through ordinary channels, it will suffer a great many political headaches. For every small business that will be granted a loan there will be at least a dozen, if not a score, that will have to be turned down. All I can say to my hon. friends on the government benches is that they are aiming straight for a severe headache. It must be well known that of a hundred new businesses that start up, very few succeed, and a much smaller number become real successes. The types of business which will seek aid under this bill will be those which are either too small or too young or too risky for financing by public issue. If this bank is to be a bank of last resort it is likely to become a sink-hole for the taxpayers' money.

The parliamentary assistant has suggested that it is not going to supplant, it is merely going to supplement private banking through commercial banks or investment dealers; they are going to go on as before and this bank is merely to supplement their work. I cannot for the life of me see how it will supplement without supplanting. That is what will happen, and if it does, it may prove detrimental to the whole Canadian economy.

It has not been stated what rate of interest will be charged by the proposed bank on the advances it makes. Let us assume that the rate will be five per cent. This may seem a reasonable rate, but it is unlikely that the private banks could advance money on that basis. I believe it would be an unsound basis. From time to time there will be losses in connection with the advances made to these small companies; in fact I should think that the losses would bulk largely in the total. If you are to have losses, you must make them up on other loans which are successful; otherwise you will have a net loss and the bank will lose its capital. If that happens, not only this bank but the Bank of Canada will be placed in an embarrassing position. If this bank proposes to lend money at cheap rates, or what looks like a cheap rate of five per cent, it will be impossible for the ordinary suppliers of money to continue in business. They cannot compete on any such basis. As I say, we have had no indication whatsoever from the government as to what rates are to be charged.

Mr. ABBOTT: I said reasonable rates.

Mr. JACKMAN: "Reasonable" means many things. I suggested five per cent, but that may be anything but reasonable. Unless there are windfalls in this type of business you will not be able to offset your other loans. I cannot for a moment see the government collecting windfalls on advances to private industry. That would be regarded as unconscionable. They do not own the business, and the risks increase every time they embark on a new venture.

A word as to the type of credit which this bank will advance. Ordinarily intermediate credits are for from two to five years in length, or perhaps even longer. Is it the intention of the government to take hold of some of these small companies, advance money to the proprietors, nurse them along for a number of years, and then distribute the securities? I do not know, but this would open up a tremendous field. The government would be going into private business to compete with those who are already supporting the government through the payment of private taxes.

Is the government to become a speculator in industrial enterprises? The proposed bank could not disclose the true facts with regard to its loans and sell them to the public, because that practice just would not hold water. It is said that the purpose of this bill is not to supplant the functions of the investment dealers, it is to supplement; but if an investment dealer attempted to sell an issue, such as this bank contemplates taking, without full disclosure being made to the investing public, the government would prosecute. I suggest that there is no difference between the care which should be taken with regard to the public's money and the care which should be taken with regard to a private individual's money. If capital issues owned by the Bank of Canada or by this industrial development bank are sold to the public and then go bad—such things are contemplated under the bill—there are bound to be distasteful repercussions. Unscrupulous people will say that the government is behind the issue. We know that with the turn of conditions some of these ventures are bound to prove unsuccessful and the government will be faced with the opprobrium attached to such an outcome.

Under this proposed industrial development bank, unworthy credit risks will be assumed if the bank is to supplement and not supplant. The

credit system as we know it in this country and as it is in all industrial countries is based on the human equation as much as on the material; it is based on character more than on assets. Judgment is formed only after long experience, and I suggest that there is no one in the Bank of Canada who by training is likely to be able to exercise that function successfully. The bank is likely to be successful only through using and perhaps abusing the government's power of borrowing at low rates of interest and relending the money and supplanting rather than supplementing the ordinary banking channels, particularly investment banking channels.

If the purpose of the bank is not to keep its capital intact, if it is willing to lose money for the Canadian taxpayer because the benefit of job creation may be worth the candle, then the government should be frank and say that that is the intention and design of this bill. May I ask how a loan advanced under this proposed legislation can be repaid as long as we have our present tax laws? Every dollar which is earned will be subjected to a minimum of forty per cent taxation. A company may earn five per cent on its capital, or even seven or eight per cent at the outside, but that will be subjected to a forty per cent tax. How will it be possible under present tax legislation to repay a loan? I suggest to the parliamentary assistant that it would be much better if some information were given to us as to what we can expect in the way of tax legislation in the post-war period before we look into such a matter as this industrial development bank.

Is the real object of this bill to create employment even if that employment is not economically productive? Or is the desirable objective of full employment to be aided by other measures divorced from this particular institution? It is well to know what we are doing, and the effect on competitive businesses struggling on their own must not be lost sight of. Where is the Bank of Canada to find the trained personnel which it will lend to the industrial development bank? I understand from the bill that there is to be an executive committee composed of directors who are members of the executive committee of the Bank of Canada. The two could not be more closely tied in than is the design under the present bill. The executive committee may deal with anything that the bank may deal with. It is purely a Bank of Canada show, with no independence and no original thought outside the central banking circle, and yet the type of business which it is to do and the function which it is to perform are entirely different from those carried on not only by the central bank but by a commercial bank. Even the staff is to be provided from the Bank of Canada or is to come under their joint arrangements. There will be the same secrecy as to salaries, I suppose; yet we have the companies act requiring disclosure of executive salaries, and everyone knows what civil servants and many other people receive. There is nothing wrong about that. I see no reason why the salaries of the Bank of Canada and of this proposed bank should not be made public.

Then this bill contemplates establishing branches, which can lead to the invasion of all banking fields except the taking of deposits. This proposed bank may spread across the country, with great overhead cost, and there may be no limit to the encroachments which it may make upon the business of ordinary tax-paying citizens.

There is another point which I wish briefly to mention. The capital of the bank is $25,000,000, and yet this amount will be forthcoming from the Bank of Canada, whose capital is only $5,000,000. The bank made $15,000,000 last year, but it would seem that the Bank of Canada is giving birth to a pretty big baby when it is going to embark on a subsidiary bank which has a capital five times the amount of its own.

The business and powers of the bank are to provide credit or other financial resources which would not otherwise be available on reasonable terms and conditions. Just who is to define "reasonable" is a matter of some interest, and I should like to have some elucidation from the parliamentary assistant. If my surmise is correct, anything this bank does will be either outside its powers, or it will be a sink-hole for the taxpayers' money, because the preamble states that it will advance money only to companies which may reasonably be expected to succeed if a high level of national income and employment is maintained. In this event there will be so much money available that this bank could not possibly lend a single dollar unless it supplants rather than supplements the present banking institutions. Then, it may lend, guarantee, underwrite or purchase stocks with a view to resale, but there is no limiting factor on when the stocks are to be resold. The bank may get into business in competition with the taxpayer and remain in business apparently indefinitely. There should be a strict limitation.

Furthermore, it fails in its purpose because it does not put emphasis upon permanent or semi-permanent capital rather than putting the entire emphasis on debt. There should be

power in a bank such as this to purchase prefered or common stock issues rather than to have as its main purpose the lending of money. Companies which want money for five years or twenty years for permanent capital do not want to have to repay or will not be able to repay it in a short time, particularly under a system of heavy taxation, and the money becomes part of the proprietary interest. This bank should be in a position, if it is to do a real job, to subscribe to the stock of the companies. I believe the parliamentary assistant is going to ask me whether I am in favour of this bank and of government ownership.

Mr. ABBOTT: Not at all. I was just going to point out to my hon. friend that if he will look at the bill he will see that the bank has power to do just what he has suggested.

Mr. JACKMAN: In the bill there is power to do nearly anything. As I have suggested, it can establish branches in every hamlet in Canada. But in looking through the multitudinous sections—

Mr. ABBOTT: Look at section 15.

Mr. JACKMAN:—I observe that the main purpose of it is to deal with borrowing. That only strengthens my argument that this bank is to become the proprietor, the actual owner, not a mere banker for industrial companies, and it makes it all the more a competitor with the taxpayers of the country—a situation which, unless you are going to be a national socialist, I think you would do well to keep out of.

Mr. SLAGHT: Does the hon. member find from his analysis of the bill that the bank will be able to finance mining companies?

Mr. JACKMAN: Does the hon. member ask me if I think this bank is to finance mining companies?

Mr. SLAGHT: Whether the power is there.

Mr. JACKMAN: I have not examined that. It is the parliamentary assistant's bill; it is not mine.

Mr. ABBOTT: I shall be glad to deal with that when I close the debate.

Mr. ADAMSON: What did the parliamentary assistant say?

Mr. ABBOTT: I said I shall be glad to deal with that when I close the debate. I have a note of that point. Other hon. members have raised it.

Mr. JACKMAN: I should just like to point out the effect of government engaging in competitive businesses. We have examples of it, somewhat more in the provincial fields than we have in the federal field. But, once any part of the crown, whether it be in the dominion right or the provincial right, engages in business, we know it is not taxable, and therefore private companies which otherwise could compete and render equal service with it cannot compete, because one company cannot have forty per cent of its profits taxed away and the other company, which happens to be publicly owned, have no part of its profits taxed away and bear no share of other public burdens. That is a quite impossible position. I wonder what the situation is to be with the government wholly owning now the central bank and, by two stages removed, the industrial development bank—whether or not these companies will be required to pay taxes.

Furthermore, this is a banking institution, and if it gets going and does make profits they will not be taxed, I suppose, any more than the Bank of Canada is taxed; yet they are in direct competition with commercial banks, all of which pay a minimum of forty per cent corporation tax. So that you get into a field where the ordinary taxpayer endeavours to make a living, and one scarcely knows where one is at.

There are several other sections with regard to the powers of the Bank of Canada to which I will refer briefly. The Bank of Canada under its own charter has power to buy and sell or rediscount bonds and debentures issued by the bank—that is, this bank—provided that the amount of bonds and debentures maturing after ten years may not exceed twice the paid-up capital and rest fund of the Bank of Canada, that is, $13,000,000. It may not be enough to be important, but if the securities which the bank purchases prove to be worthless, then it is enough to wipe out the whole capital and surplus of the Bank of Canada. I suggest if this industrial development bank is merely to supplement and not supplant, is merely to get loans which nobody else will look at, there is a good chance of the loans going bad and the Bank of Canada being affected.

The Bank of Canada has three instruments of control: first, the discount rate; second, open market operations; third, foreign exchange operations. These instruments are designed to serve the purpose of a central bank. For its own safety the bank's authority to deal in securities is restricted. There is no limit to the short-term securities which the Bank

of Canada may hold. Long-term government bonds, however, are strictly limited to five times the amount of capital and reserve of that bank. Under this bill the Bank of Canada endeavours to make possible what is not possible under its own act of incorporation. In particular, the underwriting permitted under this bill greatly enlarges the amount of long-term securities as to which the Bank of Canada may have a contingent liability.

Furthermore, the Bank of Canada does not deal directly with the public. The proposed industrial development bank will deal with the public, which is an important defect from the point of view of the major purpose of the central bank. Through the tie-in with the industrial development bank, the Bank of Canada no longer remains a bankers' bank and will come in direct competition with banks whose own funds are invested with the Bank of Canada, and these funds will be invested in securities which the chartered banks could not themselves hold.

While the machinery of an industrial development bank as designed might be workable and safe in certain hands, one must always recognize the fact that the set-up must be safe as far as the public is concerned, even if in less satisfactory hands than those which now control the operations of the Bank of Canada.

What was the opinion of the British Macmillan commission in regard to central banks operating an intermediate credit bank such as is proposed in this Bill No. 7? In their report of 1932 we find the following:

> The best course might be if the leading private institutions and the big banks were to cooperate in creating one or more such concerns. We understand that the creation of the Bankers' Industrial Development Company was due originally to the belief that help in these directions might be given to industry by the city—

That is, the financial end of London.

> —which was not being given. We have been told ,however, that the authorities of the Bank of England consider, as we do, that these are not proper permanent functions for a subsidiary of a central bank. It would seem desirable, therefore, that the Bankers' Industrial Development Company should at a convenient stage be definitely separated from the Bank of England, have an independent existence, and rely upon its profit-making capacity as a private institution. It is possible that it might form a nucleus for that closer cooperation between finance and industry which we think is required.

Again, in one of the authoritative textbooks, Kisch and Elkin on Central Banks at page 146, I find the following:

> The business proper for a reserve or central bank to undertake must be hedged round by conditions which will make for the maximum of safety and promote the maximum of liquidity in its assets.

[Mr. Jackman.]

And yet we find that this bank is to become literally part and parcel of the Bank of Canada.

> In addition, therefore, to prescribing the permissible business in unambiguous terms, there are advantages in barring explicitly certain kinds of business inconsistent with the primary requirements already discussed. This makes for security and relieves the bank from possible risk of pressure to stretch its powers in a sense that might be inimical to its stability and responsibilities as a reserve bank. Thus we find that the acceptance of an interest in a commercial undertaking is barred by the constitution of the banks in a number of cases. . . .

Mr. SPEAKER: The hon. member's time has expired.

Mr. J. S. ROY (Gaspé): I have listened with much interest to all the speeches delivered by hon. members who have taken part in this debate regarding the incorporation of the industrial development bank, and I have noticed that most hon. members who have spoken, if not all, have criticized the bill to a certain extent, and on certain points, seeming, especially, to be dissatisfied with what is lacking in this bill.

There are many reasons why one should be dissatisfied with this bill. If I rightly understand it, the purpose of this bill, like others that have been submitted before, is to prevent in the post-war period a recurrence of such conditions as those we have suffered from in the period before the war. It seems to me, however, that the bill does not touch the sore.

In the first place this bill does not provide anything for agriculture; it does not even include that industry. We are told that a measure dealing with the needs of agriculture is about to come. It has always been the fate of agriculture to be the object of many promises and encouragements that were always to come but which never came. In my humble opinion the deficiencies that exist in the farming industry explain to a certain extent the reasons why we have had so much unemployment and why conditions throughout the country are so badly adjusted.

To substantiate that statement, I should like to submit some figures taken from the Canada Year Book and from other publications of the government, such as "The cost of Living Index Numbers for Canada", published by the dominion bureau of statistics in 1943. This is an index of average annual earnings of all wage earners in manufacturing industries, showing constant purchasing power from 1926 to 1939 inclusive. Taking the year 1926 as the base year, and 100 as the base figure, we find

that the earnings of the various workers I have mentioned, have risen as follows:

1927	103·1
1928	105·1
1929	106·2
1930	102·2
1931	105·1
1932	103·1
1933	99·5
1934	104·7
1935	108·6
1936	109·7
1937	114·9
1938	112·4
1939	111·0

I have not the figures up to 1943, but I am under the impression that the earnings have gone up considerably from 1939 to 1943. We can see that from 1926 the earnings of that class of people have gone up from 100 to 111.

Now the index of the average annual earnings of all employees of Canadian steam railways in money of constant purchasing power 1926=100:

1926	100·0
1927	104·0
1928	106·8
1929	106·9
1930	107·2
1931	114·2
1932	115·4
1933	114·6
1934	111·9
1935	117·8
1936	117·1
1937	120·0
1938	125·3
1939	128·1

I shall now give the average annual earnings of all dominion civil servants, temporary as well as permanent. The figures are taken from the same source, which shows the earnings in money of constant purchasing power from 1926 to 1939 inclusive. The year 1926 is given as the base year and is placed at 100. The figures for the years 1927 to 1939 are as follows:

1927	105·1
1928	105·4
1929	104·7
1930	106·8
1931	121·3
1932	119·7
1933	126·1
1934	122·7
1935	129·3
1936	124·8
1937	125·5
1938	123·9
1939	125·9

This table shows that there was an increase in so far as that class of workers are concerned. I shall now give a table for the agricultural workers in the same years, using the year 1926 as the base year at 100. The table is headed "Income of farm operators in cash and in kind, including the rental value of their houses, as a percentage of the national income of each year, and on the base 1926=100."

1926	100·0
1927	95·9
1928	112·6

And here it begins to go down:

1929	94·9
1930	54·8
1931	30·6
1932	19·8
1933	23·09
1934	36·0
1935	39·09
1936	53·06
1937	58·0
1938	57·9
1939	69·4

In spite of their sadness these figures eloquently prove that agriculture is the industry which has suffered the worst of all. I believe it also explains why a large number of people from the rural districts have gone into the industrial cities where they have swelled the number of unemployed.

If we consult the book "Canada 1944, the official handbook of present conditions and recent progress," we shall see that the census of 1931 shows that the population of the rural districts amounted to 4,804,728, and of the urban sections, 5,572,058. There is a difference in these figures of 767,330. That is quite a difference in the population of these two sections, and that difference has increased since 1931. In 1941 the rural population amounted to 5,254,239, while the urban population was 6,252,416. There is a difference there of 998,177. The last figure I have given shows that the disparity between the rural population and the urban population is increasing. These figures explain to a large extent why we have had such a grave unemployment problem in the past, and why we seem to have lost control of the situation.

If a measure such as the one now before the house is supposed to cure the sore and prevent the crisis like the one we have had in the past, I cannot understand why we did not deal with the matter earlier. I believe if we could solve the problem of the disparity between the populations of the rural districts and the urban districts, many of our difficulties would be overcome. If that problem were solved I am sure it would help to solve very easily our other difficulties. One of the best ways to overcome them would be to adopt a

housing policy to remove the slum hovels in all the cities;and this would help to prevent unemployment. It would help also to a certain extent to diminish juvenile delinquency. It would improve health conditions.

I should like to say a few words about the matter of public health before dealing with slum hovels. We have been told that a measure dealing with public health will be brought before the house very shortly.

Mr. SPEAKER: Order. The subject under discussion is the second reading of a bill to establish an industrial development bank. It has nothing to do with public health. The hon. member must confine his remarks to the provisions of the bill.

Mr. ROY: I may be wrong. I shall try to follow Your Honour's ruling; but I must remind Your Honour that quite a few hon. members have spoken about public health in this debate. I thought I was within the rules in doing the same thing.

Mr. DOUGLAS (Weyburn): You were dealing with health as related to the need for housing.

Mr. ROY: In my opinion the need for housing should be included in this bill.

Mr. ABBOTT: If my hon. friend will permit me, he may recall that in my opening remarks I stated that the government would be proposing measures at this session to provide similar credit facilities in connection with agriculture and housing.

Mr. ROY: That is what I say; those measures are to come, but they are not here yet, and housing is the thing we should look after first of all, because it would, more easily and surely than anything else, take care of post-war conditions. Should this bill provide the financing of a housing scheme which would do away with our slums-hovels it would be a wonderful thing. If, let us say, $100,000,000 could be advanced for that purpose, which amount could be recovered later on, it would enable about twenty thousand families to possess their own homes, figuring the cost of each house at $5,000. That would constitute the strongest possible fortification against the trend of revolt that we hear roaring among the population. That would be the best asset Canada could have, and it would not take very much to give those families their own homes.

Mr. ABBOTT: Again I rise to a point of order, Mr. Speaker. I do not think we can discuss the housing problem on this bill.

Mr. SPEAKER: The parliamentary assistant to the minister has made the statement on his responsibility that measures will be brought before the house in connection with agriculture and housing. Therefore the hon. member is anticipating something that will happen in the future, when his remarks will be relevant. At the moment the bill before the house deals only with the setting up of an industrial development bank, and the debate must be confined to that.

Mr. DOUGLAS (Weyburn): On a point of order, Mr. Speaker, last Friday the hon. member for Moose Jaw (Mr. Ross) devoted his entire speech to a discussion of agriculture.

Mr. SPEAKER: The point of order has been taken now and I have ruled on it. I am stating the situation that exists at present; we have before us a bill dealing with an industrial development bank, and the discussion must be confined to that.

Mr. DOUGLAS (Weyburn): The scope of the debate seems to vary, depending on which side of the house it comes from.

Mr. SPEAKER: The hon. member may not criticize my ruling, which is that this debate must be confined to the provisions of the bill now before us.

Mr. DOUGLAS (Weyburn): It is a great pity that Your Honour was not in the chair on Friday night.

Mr. ROSS (St. Paul's): On the point of order—

Mr. SPEAKER: I cannot permit hon. members to question my ruling. It can be appealed if necessary, but the ruling has been given and the hon. member must comply with it.

Mr. REID: I am glad Your Honour is being fair, because last night you stopped another hon. member—

Mr. SPEAKER: Such remarks should not be made. The hon. member knows my ruling, and that he must confine his remarks to the bill now under consideration.

Mr. ROY: Thank you, Mr. Speaker; I am perfectly willing to accept your ruling, and I thank you for giving me a directive in this connection.

My contention was that the provisions of the bill are not complete, and I was trying to indicate what else should be included in the bill to make it more acceptable. According to the bill its objects are to finance the development of small industries, to see that the bad conditions from which we suffered previous to the war do not return, to prevent unemployment and so on. All these measures are brought before us with the promise that when the war

is over the old conditions will not return, but they do not go far enough. We are to have health insurance, but that is not going to cure the cause of the evil; it will not touch the source of the trouble. My contention is that if we do not get at the cause of the trouble, that if all our legislation misses the mark as this measure seems to miss it, we will not have any better results when the war is over than we had from 1930 to 1939, during which time both old political parties were in power and both promised to bring in all sorts of measures which would put a stop to unemployment. They could not succeed, and the people became disgusted and discouraged. Finally the war put an end to it. That was a very poor way of settling a question of that kind. I wonder if such bad conditions will not come back again unless the government takes steps now, unless it gives the people right measures in which they can believe and upon which they can rely?

Coming back to the principle of the measure, as the parliamentary assistant would like me to do, I say this bill should tell us explicitly how it will work against the evil we are seeking to cure; how it will prevent trusts, monopolies and cartels from carrying on their practices, which, according to a statement made a few days ago by Mr. Harold Ickes, Secretary of the Interior of the United States, were the cause of the present war. We should be told how this bill will prevent further abuses by these monopolies, how it will protect small industries and free enterprise. Though it is a very important point there is no mention of it in the bill. The bank may use this money to favour the big trusts; it may work in the interests of the electrical trust or the packing trust, to mention only those which have been referred to in the course of this debate. We have no guarantee of any kind that it will protect us against the real evil, the trusts and cartels; that it will help only the small industries; that it will develop family industries, and bring back prosperity to the rural districts; that it will do away with the surplus population we have in our cities, which has become such a heavy burden to the state and a cause of anxiety and fear for the future.

That is why I am criticizing the bill. That is why I am trying to point out some matters which I think should be included in the bill, and which I believe would improve it. In my opinion most hon. members favour the principle of a measure of this kind, but I for one should like to be assured that this new bank will not come under the control of high finance. I would be ready to support a measure that would be really fit to correct the evils from which we are suffering; because in the post-war period we want to be protected against a return of the bad conditions that existed before the war. That is why, Mr. Speaker, unless this bill is redrafted, and its provisions are set out more clearly, I am afraid that all the work we are doing at the present time will remain but fruitless.

Mr. R. W. MAYHEW (Victoria, B.C.): Mr. Speaker, I admit that one might almost apologize for speaking this afternoon, in view of the fact that much time has already been spent in the debate and there has been much repetition. However I rise as one who has had some personal experience in respect of loans of the kind here indicated, and therefore I shall speak not so much with respect to the bill itself as to my belief concerning the government's intention.

I cannot become enthusiastic about the bill, but I can offer all the support I am capable of giving to the principle behind it, namely that of giving financial aid to small industry, and particularly that part of small industry which is engaged in the pioneering field. I would support, too, the provisions of the bill which would give encouragement and financial assistance to the young men who will return from overseas.

Let me say just a word about what I mean when I refer to pioneering in industry. To-day we are entering a period when we will hear much about plastics. Who is to do the pioneering if it is not done under some such scheme as we have before us? We are also entering a period when the use of light metals is increasing. Are these two commodities to be taken away from the young men who have ideas and the desire to develop them, but who, if they wish to see their ideas developed, must sell them to the larger corporations or to people with money? I believe that, as the bill proposes, we should give the necessary assistance to young men.

If the money is made available it will give assistance in the development of our natural resources. What is our great natural resource to-day? What is the one in which we are mostly interested, and the one which must be developed if we are to develop Canada? I have in mind a natural resource to which reference has not thus far been made. It is not our forests; it is not our mines; it is not our fisheries. It is opportunity. I have in mind the young man who will come back from overseas and who will have the right to a chance for personal development and personal expression. The young man who is honest, who is industrious and healthy, and who has an idea, is the type of resource we cannot afford to ignore. If there is a pool of money from which men of that type can

get some assistance, then I say that in making such money available we are doing something worth while. Nothing has thus far been presented at this session which gives me greater encouragement than that which I derive from this bill, although I do not agree entirely with the manner of procedure. I do not believe that under this measure the money can be properly distributed, or that it can be properly handled through a bank.

Let us, for instance, consider the young man who is going into business. What does he want? What will be of the greatest help to him? In what I shall say I am speaking from experience. The thing he wants first of all is to be surrounded by three or four responsible, experienced, reliable elderly men who can give him advice and assistance, men who have been through the mill and who know how to solve problems. Yes, if he is honest he will submit his quarterly statements to his bank. He will submit his annual statements and will tell more than appears in those statements. He will set before his banker the problems he must face. But is he to ask his banker how those problems are to be solved? No, he is not, because a banker's first obligation is to the security of the loan he has made available. In my opinion that young man will consult his friends who have had experience and who have carried responsibilities.

If these young men—and the same would apply to older men—must come to Ottawa and seek only banking experience as a directive in the conduct of their business, this scheme will fall short of its objective.

There is something further we must remember in connection with the bill. I have reference to the supplying of the money. If we look upon this organization as one which must prove financially successful, in my view we are not going to acomplish the utmost good for the Canadian people. We must take the long-term view. I do not believe the cushion of twenty-five per cent for which the measure provides is sufficiently great, because we must remember that the operations involved will be highly speculative. I do not believe that only twenty-five per cent of the loans granted under this measure will fail. If twenty-five per cent of these ventures are successful, then the over-all picture in Canada might quite easily be a success.

I may be pardoned at this point if I tell the house of my own experience. I know there will be hon. members in the chamber who will appreciate what I am about to say. In 1919, at the close of the last war, the British Columbia government set aside a million dollars for just such a purpose as the one we are now discussing. I was manager of a plant then struggling for existence. Our difficulties were in the securing of certain raw material. Upon placing certain facts before the British Columbia committee I secured a loan of $100,000, which we were fortunate enough to pay back. One or two others were equally fortunate, but certainly fifty per cent did not make good. I believe those who succeeded would have numbered about twenty-five per cent, probably less than that. But in my opinion the British Columbia government's plan of assisting industry was successful. The over-all picture will be a success if we get away from the banking idea and think more of assisting industries that need assistance, and it will prove a failure if we encourage industries that are already over-producing. There are many fields of endeavour—I have indicated some of these—in which assistance will be required for some time in order that the usefulness of the product may be demonstrated. It may be ten, fifteeen or even twenty years before the usefulness of a certain product can be demonstrated to the country.

Some of us are connected with the construction industry, and there is nothing more conservative than that industry. Why? When you are building a house you do not want your architect or contractor to experiment. You are going to live in that house for a lifetime, and you want to stick to the things you know about, bricks, mortar and stone. There are materials being developed which might be used by the construction industry, but the success of those materials cannot be demonstrated in a year or two. What more legitimate use could be made of this bank than to encourage things like that in this country? I am enthusiastic about credit being available to be directed in a sane and sensible way, but this cannot be done without some speculation and risk. We should not look at these things from the standards of to-day or to-morrow or a year hence, but rather on the basis of the broad picture spread over perhaps a quarter of a century.

If you expect this bank to be a success by doing what the bankers would have to do, then you are doomed to disappointment. Those who think that this is going to prove to be a boom politically will find themselves mistaken. There will always be small men on both sides of the house who will want to play politics, who will take only the narrow view. I am sure that if the narrow view had been taken in British Columbia the venture would have been considered a failure. But it has not been a

failure because the twenty or twenty-five per cent that were successful more than offset the unsuccessful ones.

There is another way of operating which might prove successful. This bank could purchase the stock, either preferred or common, of the companies which it is promoting. But I would not like to see such a plan in effect. I do not believe in the government going into business. I am going to say something which I have never seen in print or which I have never heard expressed in just this way. The government seems to be getting away from the duties which it was intended to discharge. In my opinion the government is a referee for the people in the game of life. In carrying on that referee-ship they must defend us against attack by our enemies, they must furnish us with education and they must see that we have sound bodies; but they expect us to play the game of life according to the rules laid down by this parliament and put into effect by the government. It is for that reason that I would not like to see this bill go into effect in its present form. I have never seen a referee in any game take part in the game himself, and I do not want to see this government—which should be the referee to prevent us from fouling the others in the game, and to see that we all play fair and have a chance—take part in the actual game.

Much has been said upon this matter and there is much more I should like to say, but I know hon. members are weary of listening to this debate and I shall conclude.

Mr. THOMAS REID (New Westminster): Mr. Speaker, at this late stage of the debate it is not my intention to delay the bill very long, but there are one or two things which prompt me to rise and say what I am about to say. I am not a member of the committee which will go into the details of this bill and so have one or two suggestions I wish to make before the bill goes to the committee, in the hope that some consideration will be given to them.

From a cursory reading of the bill it would seem to me that it is to be a case of first come, first served. There is no limitation on the amount of the loan which a firm will be able to obtain, and I can visualize demands being made upon the bank for loans when there is no provision for curtailing the amount of the loans, with the result that the $100,000,000 referred to in the bill will soon run out. It is perfectly true that the government has power to increase the amount available for loans, but it can do so only after parliament has given its authority. I suggest to the parliamentary assistant to the Minister of Finance and to the committee that some thought be given to holding down the amount of a loan which any company may secure. If the bill is designed to encourage small industry it may well be that some of the larger ones will take the lion's share of the $100,000,000.

A great deal has been said by hon. members from the eastern and western provinces about the lack of industry in their provinces. This may not be the time to go fully into the question of the centralization of industry, but I cannot be unmindful of the fact that if proper direction is not given by the bill it may well be that those in charge of granting loans may act strictly from the business point of view and consider only the ability of the borrower to pay back. They could thus prevent development which should properly take place in certain provinces.

Mr. SLAGHT: Would the hon. member favour financing the mining industry?

Mr. REID: I would favour financing anything that would be for the welfare of Canada. I trust that answer will satisfy the hon. member, at least for a little while. What I had in mind when the interruption occurred was the possibility of a group of men, say in British Columbia, starting a steel industry to take care of the surplus scrap metal in that province. I can visualize them coming to the bank for a loan. If the demand for a loan is looked at from a strictly business point of view, I have little hope of their chances of obtaining that loan, because it might be pointed out that there are already steel industries in the east, and in the province of Ontario, and that it would be unfair to grant a loan with government assistance to compete with private industry. So that if some direction is not put into the bill in some form or another, I fear that the men who will have charge of the granting of loans and who—I say this without fear of successful contradiction—up to this point have been "centrally minded", may very well frown upon loans for the development of industries either in the eastern maritimes or in British Columbia. It must be recognized that at the moment Canada is fairly well industrialized and at the cessation of hostilities we shall have factories and machinery adequate to supply more than this country's needs. British Columbia, by the way, has developed industrially despite the opposition and competition of the two great provinces of Ontario and Quebec, but it is faced with the condition that it must perforce sell most of the goods manufactured there on the world's open markets to help pay for the goods which we in British Columbia up to now have had to buy from the protected eastern provinces. We in British Columbia are

desirous of going ahead and getting help to develop our industry so that it will be complementary to our agriculture. There is to-day, I fear, little to encourage men to go on land in British Columbia unless such settlement is backed with the developing of war industries to provide a market and payrolls for the consumption of surplus agricultural goods. I do not know just how it may be put into the bill, but personally I should like to see some direction inserted to guide the men who will be handling these loans, because if some such direction or control is not put in there, and the matter is looked at from a strictly business point of view, there is very little hope or prospect of further development by way of assistance under this measure to small industrial concerns in either British Columbia or the eastern maritimes.

Having given expression to these two thoughts, I would ask that they receive some consideration from the committee. I realize, as everybody does, that the principle of the bill has a great deal of merit. At the same time, if it is designed, as it should be, to take care of all the industrial requirements of Canada, every section of Canada should then be placed upon an equal footing when applications for loans are made.

Mr. D. G. ROSS (St. Paul's): I had not intended to speak on this bill, but I have listened with great interest to some of the things which have been said in the course of the discussion.

I intend to support the principle of the bill as it is outlined in the preamble, although I do not quite understand why the chartered banks could not have been used in some such way as the central mortgage bank uses the insurance companies and the loan companies in connection with its business. Insurance and loan companies were forced to do business with the central mortgage bank, but they were guaranteed against loss. I have some doubt on this question of the Bank of Canada entering into an industrial banking business and setting up a staff all through the country when we have available the staffs of the various chartered banks from one end of Canada to the other. One of the main factors involved in this business will be the integrity, the ability and the knowledge of local conditions of the men who will be required to administer the project, and I do not know who is in a better position to understand local conditions than the branch managers in each community.

Some measure of this kind is, I think, necessary, because our young men coming home from overseas will be full of ambition to engage in business of some sort. As the hon. member for Victoria, British Columbia (Mr. Mayhew) remarked a little while ago, if the bank is to serve its purpose it will probably lose a certain amount of money. It will be useful also to large business where the risk will not be too great but where it may be difficult to do financing otherwise. The only specific purposes for which the bank is to be used which have so far been mentioned by the parliamentary assistant are in connection with a rolling mill and shipbuilding out at the coast somewhere, to which he referred in reply to the hon. member for Vancouver South (Mr. Green). He did not say much about small businesses.

I should like to point out that the socialist party, or the Cooperative Commonwealth Federation, do not really agree with the principle of this bill. They cannot agree with it, because its purpose is to assist and promote private enterprise and initiative. It is to make it possible for the borrower, not only to produce and employ but also to make a profit, to build a small business into a big one. The C.C.F. spokesmen have tried to skate around the main principle of the bill. Each one has said that he supports the principle, but he really does not support it. Those who represent this party have tried to avoid the issue by such words as those of the hon. member for Winnipeg North Centre (Mr. Knowles), who informed the house that he supported the principle of the bill because, he added, as reported in *Hansard*, at page 1413:

> . . . there should be established a public authority under the control of the parliament of Canada with power to give effect to the necessary financial arrangements to make possible the kinds of industrial activity parliament regards as being socially desirable.

Well, it is not for parliament to decide what this bank is going to do; it is for the bank to decide.

Mr. DOUGLAS (Weyburn): Up to a point.

Mr. ROSS (St. Paul's): The point is that it is for the bank to decide what is to happen, and I think it would be a sad day if the socialists ever got into power in this country and parliament were to decide what was to happen in connection with this bank.

The main principle of the bill is, of course, outlined in the preamble. The whole idea of the socialists is that there should be no capital and no profits, but the very idea of this bill is to let the people of this country—the small man and the big one—have capital, increase their capital, and make profit and create em-

ployment through their production. But the point is that the C.C.F. cannot afford to oppose the principle of this bill because there are too many small businesses in this country, too many people who do not believe in socialism and who would turn away from them if they did not support the principle of the bill.

Mr. DOUGLAS (Weyburn): Do you support the bill?

Mr. ROSS (St. Paul's): You are supporting it.

Mr. DOUGLAS (Weyburn): Do you support it?

Mr. ROSS (St. Paul's): I am supporting it, certainly. So are you.

Mr. SPEAKER: Order.

Mr. ROSS (St. Paul's): I just wished to point out how far one can depend upon the policy of the Cooperative Commonwealth Federation party. It is one way one time and another way the other, depending upon what they are looking at.

Mr. DOUGLAS (Weyburn): Your spokesman said that this bill was a measure of socialism.

Mr. ROSS (St. Paul's): I do not care at all what one of our spokesmen said. I am just stating a matter of fact, to show exactly the postion of the hon. gentleman's party. It just shows you how much faith the public of Canada can have in what is said by their spokesmen throughout the country when they support the principle of capital and profits and then curse capital and profits, declaring that the only panacea for the country, the only thing that will do any good, is to do away with profits and capital. To say the least, their position is hypocritical—I should not say that; I beg your pardon. It is inconsistent.

Mr. MacNICOL: They face both ways.

Mr. ROSS (St. Paul's): They face both ways at the same time. Even their leader in the House of Commons, as reported at page 1270 of *Hansard,* supports the principle of the bill; he supports the principle of profits and capital. He says:

> A publicly owned institution of this description is an attempt, at least, to do something in the way of financing the development of this country by means of a public institution.

The bill intends that this sort of thing shall take place by private capital and individual enterprise and initiative, and profits.

I wish to say a few words with regard to the bill itself. It is unfortunate that it should have been brought down before the house had had an opportunity of examining the bill with reference to the revision of the Bank Act. Of course, that is the way the government always act; they put the cart before the horse every time. One would suppose that this bill involved the principle on which the Bank Act is to be revised this year. It seems to me it should have been the other way; we should have had first an intimation of what the government intend to do in connection with the Bank Act so that we could intelligently discuss the situation. The government know; as a matter of fact they have known for quite a long time, that the revision of the Bank Act will take place this year. They have had nine years to make up their minds about what will happen to the Bank Act when the revision is made. Surely in that time something could have been done about it. One hon. gentleman said that the industrial development bank bill was the major piece of legislation that had to be brought down. I hardly agree with him. In my opinion the major piece of legislation is the bill for the revision of the Bank Act.

A great many hon. members agree that it will be difficult to discuss this matter before the bill for the revision of the Bank Act is before the house. The purpose of the industrial development bank bill, however, is a good one. It gives the bank very broad powers, much broader even than the chartered banks are given, with the exception of one thing, namely, the receiving of deposits. The purpose of the bill is set out in the preamble. That purpose is to promote the economic welfare of Canada. No one can disagree with that, and that purpose is to be achieved:

> . . . by increasing the effectiveness of monetary action through ensuring the availability of credit to industrial enterprises which may reasonably be expected to prove successful if a high level of national income and employment is maintained.

I repeat, the purpose of the bill is an excellent one; but is this the right way to bring it about? There are a good many reasons why it is probably not the right way and I think, therefore, the bill will require a great deal of consideration. It is a new venture, something new in Canada, and the banking and commerce committee will have to examine it very carefully.

One of the chief criticisms of the bill is that it fails to describe in greater detail the functions of the bank. Most of the legislation we have had since the war began has been subject to regulations of one kind or another and has been changed by order in council. I hope it is not the idea of the government to revise the Bank Act this year by order in council, because a good many major things have been done in that way.

The parliamentary assistant said:

Undoubtedly the cash resources of industry, including refundable taxes, have risen in recent years and will be used to finance part of the expenditures I have just mentioned.

As a matter of fact, it is really only those industries which have had an opportunity of taking advantage of accelerated depreciation under the excess profits tax which have been able to do this. Many companies, and especially small ones, have carried on without government assistance in the production of war goods and goods for civilian use as well, and they have found the excess profits tax has caused great difficulties. In connection with their reserves, whatever tax resources they have been able to maintain have been so maintained at the expense of depleted inventories in their business. Also, and this is very important, in the favourable commercial situation which has obtained during the war, provision for bad and doubtful debts has not been so great, and doubtful credits have been at a minimum. In the ordinary course of events, proper reserves would have been put by for these contingencies. They may be there and have not been used but have been taken in income tax.

I think the bank will be of great assistance, and people will want to take advantage of it. With respect to the powers, they are to be used mostly for the financing of small industry, and I think it is an excellent idea, because they can be used for the purpose of decentralizing industry. That is the proper way to use them, and, as the hon. member for Victoria, British Columbia, pointed out, this would be a great aid in the fulfilling of the ambition, initiative and private enterprise of the people who are returning from overseas, people who have to be placed in peace industry. As I see it, however, there are dangers in the set-up. I think it is a great mistake to have the board of directors composed of the board of directors of the Bank of Canada. This bank will sell its securities to the Bank of Canada. In other words, it takes its securities out of one pocket and puts them into another. One of the safeguards would be to have a board of directors entirely different from the directors of the Bank of Canada with the exception of perhaps one or two, because one set of directors have to pass judgment on the loan and the other set of directors have to pass judgment on the security which they accept for the loan and the amount of money to be advanced.

The whole success of the bank will depend upon the calibre and the enterprise of the people who run it. As I said before, the board of directors should be composed of two or three members of the Bank of Canada and representatives from various stages of industry having at least the following qualifications and characteristics: undoubted integrity, free from political control, and a record of ability, showing ability to recognize and meet problems of employment, manufacturing and merchandising, and the acceptance of the obligation to work at their job of directing the bank. That is going to be a big job. They should not leave the execution of those obligations to a working staff who may or may not have the necessary wide connection or vision to do the right job. As I said, it is a full-time job, and when I see that the whole board of directors are to receive a remuneration of only ten thousand dollars it does not look as if the proper administration of the bank has the least chance of being fulfilled.

It is very important in times like these that the bank be started off on the right foot, for if it became mixed up with politics a lot of harm might be done before the public woke up to the mismanagement and corrected the situation. It is much more important because of the possibility of political interference and patronage. As the hon. member for Rosedale (Mr. Jackman) said a little while ago, if we once get patronage and political influence into this bank it will be a headache. We of this party do not want to see it become a headache, because it will not be very long before we shall be in power and shall have to look after the management of the bank ourselves.

Mr. GIBSON: Now you are being funny.

Mr. ROSS (St. Paul's): Well, it is a true possibility. I do not understand why a politically controlled bank such as this is preferable if the needs of business only are to be served. The Bank Act comes up for revision and reform this year. Is it not possible to make the present banking system fit into the needs of this bill? Your Honour called the hon. member for Gaspe (Mr. Roy) to order because he spoke of farming and of housing. I wish to point out to you, Mr. Speaker, that we have no farm bank bill before the house; we have no revision of the Bank Act before the house. That is the trouble. The abbreviated remarks of the parliamentary assistant to the minister gave us very little information. He told us we were to have something. The speech from the throne told us that. But what is the conjunctive legislation? Why do we not have it? When will the bill revising the Bank Act be brought down? We should like to see it and study its proposals. This bill will go to the banking and commerce committee and we shall then be able to discuss its various phases. As I said before, I support the

principle and purpose of the bill although I think there are perhaps better ways of carrying out its objectives.

Mr. M. J. EDWARDS (Calgary West): Coming as I do from what on very good authority may some day very well be the industrial centre of Canada, I think something should be said as to Alberta's views with respect to this bill to promote the industrial development of Canada.

A year ago I gave expression to this thought on the debate on the reconstruction resolution, that in future years I believed we would have to look at Canada from the basis of economic units rather than political subdivisions, and I expressed the idea at that time which I did not know was entertained by such high authority as Mr. Griffith Taylor, one of the most outstanding geographers in the world, professor of geography in the university of Toronto, president of the British and American geographers' association, a man of outstanding ability in his line, and one who, I believe, has not only served Canada well but was in Australia for a number of years and later held a very important chair in the seats of learning in the United States. I commend to hon. members, who are interested in the future industrial development and population of Canada, a little brochure got out by "Contemporary Affairs", entitled "Canada's Role in Geopolitics by Griffith Taylor". I wish to call hon. members' attention to the last sentence in this brochure which, I believe, is a condensation of several books which Mr. Taylor has written on the subject. The concluding paragraph is as follows:

> In conclusion it is interesting to speculate as to the centre of gravity of Canada's population a century hence. The agricultural and industrial potentialities of Alberta lend some support to the view that Calgary may surpass Ottawa; and even some day rival London as a focus of the empire. Consideration of the above cultural and economic distributions suggests that the political centre of the empire may move away from stormy Europe to the better protected Canadian section of the empire. Here it will be well placed to join hands with the great American public in promulgating and defending principles of democracy and liberty.

This brochure is dated August 17, 1942, and this world-famous authority and student had the present world situation before him when he wrote it. The main point of his thesis is that world centres of population are determined by geography in relation to the following: climate, latitude, soil and mineral resources. As far as industrial development is concerned, the most influential factor is the greatest source of all industrial power, namely coal, and he points to the fact that in Alberta, centering around Calgary, there is probably the greatest coal reserve in the world. He points to what Britain and Germany have been able to do, and to the fact that their present power is largely dependent upon the use they have made of their coal resources.

I bemoan the fact that we in Alberta have not had the industrial development we might reasonably have expected. I think that is largely owing to lack of credit. Some ten years ago there came into power in that province a government which was to provide us with credit. That government had as one of its objectives something for which I have always praised and commended it, namely the idea that it should develop the latent resources of coal, oil, gas and water power which are found in Alberta, in greater abundance than in any other part of Canada. The "social credit" mechanism did not work.

This bill, I believe, points the way to the future industrial development of Alberta, and I am sure the business men and small industrialists of that province will welcome this legislation. Personally I have some doubts and misgivings as to its efficiency. In the preamble to the bill itself it is stated that this legislation is designed to promote the economic welfare of Canada by supplementing the activities of other lenders and providing capital assistance to industry, with particular consideration to the financing problems of small enterprises. In other words, primarily it is to finance small enterprises; but to succeed, small enterprises require something more than credit. Markets are required, and you must know something about what your tax structure is to be. As I see it, this measure will be of greater assistance to the small industries in the industrial centres of eastern Canada, because here there is a much more favourable situation as far as taxes are concerned than we have in any other province.

I shall not soon forget an occasion in 1940 when members of this house from Alberta approached the Minister of Munitions and Supply (Mr. Howe) with the plea that he should give some contracts for munitions and supplies to Alberta in order to stimulate industrial development in that province. I recall his answer: "Gentlemen, the keystone of the arch of industrial development is surplus power, without which you cannot hope to build an industrial structure. At the present time in the province of Alberta you have no surplus power. When you have, come back and see me, because I have numerous contracts that I should like to award." At that meeting he stated that the proposed capacity of the ammonia nitrate plant at Calgary had been cut by more than forty per cent, because the power company was not able to supply the

requisite amount of electrical energy. Fortunately that situation has been rectified; but Alberta, in common with all but one of the other provinces, finds itself under a disadvantage which will militate against our industrial development when this war is over.

That situation arises as a result of our present federal method of taxation. It is true that Ontario has gone ahead industrially by leaps and bounds, because it has an abundance of cheap power; but at what price as far as the rest of Canada is concerned? The Ontario hydro electric, of which that province is so justly proud, does not pay one red cent of revenue to the federal treasury toward the carrying on of the war, whereas the power companies of Quebec, the maritimes, Manitoba, my own province of Alberta and British Columbia are paying literally millions of dollars in federal taxes. That in itself is bad enough, but in addition we find that the power industries in all these other provinces by reason of federal taxation, are not able to keep up, replace and modernize their machinery and distribution systems in anticipation of post-war needs.

Mr. SPEAKER: Order. I have had occasion to-day to call an hon. member to order in connection with the discussion of a proposition which was not related to the bill. As I understand the argument of the hon. member, he is now proposing to make some distinction in connection with electrical power in the various provinces. That does not come under this bill, and I would ask the hon. member to refrain from that line of argument.

Mr. EDWARDS: Well, Mr. Speaker, the bill itself specifically refers to the generation or distribution of electricity. I refer Your Honour to section 2, paragraph (d), which reads:

> "Industrial enterprise" means a business in which the manufacture, processing or refrigeration of goods, wares and merchandise or the building of ships or vessels or the generating or distributing of electricity is carried on.

I bow to Your Honour's ruling, if I am out of order.

Mr. SPEAKER: As I understood it, the hon. member's argument was that there was power in some provinces, but not the same power in Alberta, and he was making a plea to the minister in order that some assistance might be given to Alberta. But that is far beyond the provisions of the bill, which deals with financial assistance to industry.

Mr. ABBOTT: I think in fairness to my hon. friend I might say that, as I understood, he was discussing the handicap which his province, among others, had suffered because the power industry in Alberta is subject to federal tax, whereas in other parts of Canada it is not. That might not be closely related to the subject matter of the bill, but it does, of course, relate to the general question of industrial development in Canada.

Mr. SPEAKER: I would not wish the hon. member to emphasize that point unduly.

Mr. EDWARDS: I was just going to refer to the preamble of the bill, which limits the asistance to those industries likely to succeed. I was pointing out that small industries in one part of Canada are more likely to be favoured under this legislation than are small industries in other parts of Canada, unless some regard is given to taxation.

I draw this statement to the attention of hon. members, because I believe it crystallizes what I have been saying. Mr. K. A. Christie, K.C., vice-chairman of the Hydro Electric Power Commission, told the Toronto board of control that the hydro would not be able to continue as a public utility without this advantage of tax exemption. That is a frank admission of an important truth. If power development in one section of Canada is relieved of taxation, both federal and provincial, the advantage to industries using it is obvious.

I urge that for the bank to succeed in rendering that assistance which it should render to small industry—and in this respect I suggest the bill is defective—some regard will have to be had to the suggestion that there be some geographical considerations as to where this assistance can be applied. As other hon. members have pointed out, it would be just too bad if the industrial development bank were to look at the industrial field in Ontario and Quebec, and say, "It is in those provinces that small industries are more likely to succeed. We are going to have a greater population in those centres, so, perforce, it is in those provinces that the assistance will be given by the bank. Power is cheaper, because the power producer pays no provincial or federal taxes. On the other hand, in the other provinces of Canada every user of electricity must pay more, because it is bought from a private corporation which does pay taxes to the municipal, provincial and federal authorities."

I, too, share some misgivings in connection with putting the federal treasury into the banking business. It is really not the banking business, and I think the fact that the bill has been referred to as one setting up an industrial bank has created a wrong impression in the minds of most people. The organization proposed is really a loan company, and its opera-

tions will be more analogous to those of a loan company than to those of a bank, as we understand banking.

I should like to think of this institution as a pontoon bridge, a temporary auxiliary structure designed purely and simply to get us back from a war-time to a peace-time economy; that it will have served that purpose, within the five, ten or fifteen post-war years during which we shall pass from a war-time to a peace-time economy, and the need for government assistance will have passed out of existence, because in the meantime private enterprise and private industry will have caught up with the normal needs. As a matter of fact, I believe the fact that this bill is deemed desirable and necessary is a criticism of our private banks, loans companies and insurance companies, owing to the fact that they have not seen the necessity and desirability of setting up some such institution as is contemplated in the bill.

There is now, and there will be in even greater volume when the war is over, a tremendous amount of money looking for investment. The era of employment to which we all look forward can come about only to the degree to which industry becomes active and alert. I would hope, and I would certainly think the government would hope that there might be a rapid conversion of victory bonds in order that the money represented thereby might find its way into industry for the production of consumer and capital goods. So far as I can see, it is only in that way that we can ever have that era of industrial prosperity we all desire so much.

It is for that reason that I for one favour the bill, and in that I believe the people of Alberta will support me. I suggest, however, that the committee should give serious consideration to some direction as to where and how the loans of the bank are to be allocated. We must visualize the diversification of industry, and that can be brought about only if the men who are doing the lending view Canada as a whole, see the potential industrial future of the whole country, and give some thought to developing new industry in new areas.

The fact that we have no dye or chemical industry, and that we have never had one, is a trite commentary on our Canadian economic policy. Surely with the reserves of coal we have in Canada we should never again be as dependent as we have been upon Europe and other countries. I would hope that the directorate of the bank would envision a broad and diversified industrial development, so that we might give a start to those industries which bid fair to operate successfully in Canada.

One of the things which has come out of this war and of which I am very proud is the nitrogen plant located at Calgary. For the first time this chemical is being produced in Canada as an industry in itself. I am reliably informed that the Calgary plant is one of the most economically and efficient producers of ammonia nitrate, the base for all explosives, to be found anywhere in the world. Thanks to the engineering and scientific ability of our own Canadians a way has recently been found of pelleting ammonia nitrate, and this can now be used as a fertilizer. A few months ago we were shipping this chemical to five or six different explosive plants in the United States, but now the same product is being shipped in the form of fertilizer to at least four different countries.

I hope that the board of this bank keeps in mind not only the diversification of existing industry but the sponsoring and assisting of new industries, of which we have all too few in this country.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. D. C. ABBOTT (Parliamentary Assistant to the Minister of Finance): Mr. Speaker, there have been a good many matters raised in this debate, many of them relevant to the bill which is under discussion and some of them not quite so relevant.

At the outset of my remarks I wish to refer to certain statements made by the hon. member for Lethbridge (Mr. Blackmore) which fall under the second category and which relate to the price and supply of sugar, which, as the house is aware, falls under the department with which I have the honour to be associated. Speaking in the debate last Tuesday, March 7, he made this statement, as reported in *Hansard* at page 1278:

> I believe solemnly that there has been no need of scarcity of sugar in Canada during this war, or for the years immediately preceding the war, nor has there been any reason or justification for the high prices of sugar which have prevailed. Evidence which I adduced the other night proved conclusively the soundness of my position. I believe that quantity and price have been affected, not so much by the circumstances of war, as by the fact that prior to the war and also during the war the production and sale of sugar have been manipulated by a sugar trust or combine and that one of the dominating units in this trust has been the St. Lawrence Sugar Refining Company.

I find it hard to imagine a statement of comparable length which could contain a greater number of errors and inconsistencies.

Let us see what the facts are on this question. The hon. member alleges, first, that there was a scarcity of sugar immediately preceding the war, and the fact is that there was no shortage of sugar immediately preceding the war. On the contrary, there had been a huge surplus of sugar overhanging the world market for many years. Then he went on to say:

. . . nor has there been any reason or justification for the high prices of sugar which have prevailed.

Before the war, in fact during the whole period from 1920 to 1939, the price of sugar was not high as he says, but was consistently lower than in any previous time in history.

Coming now to the period of the war itself, just think of the difference in the way in which sugar was dealt with in this war and in the last. In the last war the government did not take any effective action to control prices and the price of sugar went as high as twenty-five cents a pound. With that experience in mind, the government in this war at the very outset took appropriate steps to control the distribution and to control stocks. As a consequence of the measures which were taken there was no shortage of sugar in Canada until rationing was adopted in February, 1942, and the price of sugar has increased to only about eight and one-half cents a pound.

Mr. HANSON (York-Sunbury): May I ask the hon. member a question. Is he aware that during the period of the last war there was no control in the United States and no control in Britain?

Mr. ABBOTT: No, I was not aware of that.

Mr. HANSON (York-Sunbury): That affects the situation.

Mr. ABBOTT: I do not particularly desire to put blame on anyone. I was simply comparing the results in the last war and in this war, and I prefaced what I said with the statement that, based on experience in the last war, steps had been taken at the very outset of this war.

Mr. HANSON (York-Sunbury): Of course there is a tendency over there to show how much better we are than the other fellow was.

An hon. MEMBER: And it is true.

Mr. HANSON (York-Sunbury): We won the last war, and this is not won yet.

Mr. ABBOTT: Now as to the question of shortage. The shortage which occurred and which led to rationing was entirely owing to the difficult shipping situation, and now that that shipping situation has been to a large extent remedied the fact is that world supplies have been considerably depleted, so that rationing has to be continued.

Mr. BLACKMORE: Will my hon. friend permit a question?

Mr. ABBOTT: Yes.

Mr. BLACKMORE: Would he contend before this house that it would have been impossible for Canada to establish four or five or six factories for the manufacture of beet sugar during the period immediately preceding the war?

Mr. ABBOTT: I do not know whether it would have been impossible or not, but I will say this to my hon. friend: he will see in a moment, from what I have to say, that it would not have made any difference to the amount of sugar available to the Canadian consuming public.

That brings me to the point I was just about to make, that the surplus production of the world is divided by agreement between Great Britain, the United States and Canada, and under that agreement sugar is made available to Canada in order to meet our needs. An increase in the production of beet sugar, in which the hon. member for Lethbridge is particularly interested, would not result in any increase in the total quantity of sugar available to Canada under the agreement.

Mr. BLACKMORE: May I ask the hon. gentleman if Canada had anything to do with making the agreement?

Some hon. MEMBERS: Order.

Mr. BLACKMORE: I am not going to ask too many questions.

Mr. ABBOTT: I wish to get to the provisions of the bill as soon as I can, and I do not want to dwell too long on this question of the price of sugar. Since October, 1939, all the sugar brought into Canada has been allocated by the sugar administrator to the sugar refineries at fixed prices. The refined article has been distributed at prices fixed by the sugar administrator. It has been a difficult operation, and I think it is only fair to say that it has been carried out with conspicuous success, to the great advantage of the Canadian people. And yet my hon. friend says:

. . . during the war the production and sale of sugar have been manipulated by a sugar trust or combine and that one of the dominating units in this trust has been the St. Lawrence Sugar Refining Company.

Had there been such a sugar trust as my hon. friend alleges we might have seen sugar

rise to twenty-five or thirty cents a pound, as it did in the last war, and I do not imagine that that is the kind of action which my hon. friend would have wanted or that the Canadian people would have wanted.

Another statement made by the hon. member for Lethbridge, as reported in *Hansard*, at page 1278, was:

> . . . since the war broke out, men came into this city and went to see responsible officials in the dominion government and offered to bring into Canada three sugar factories, and they were refused the concessions which they needed in order to give them a chance to establish sugar factories to produce sugar in this country. The men in charge of the government chose rather to let the Canadian people go short than risk an abundance of sugar—an abundance which they dreaded.

I have already dealt with the question of abundance, and I have pointed out that under the agreement any extra production of sugar in Canada would not have resulted in any additional sugar for the Canadian people. Until February, 1942, there was in fact no shortage, and since then Canada has shared in the available sugar with the United Kingdom and the United States. I should like to know, however, who these people are to whom my hon. friend refers who offered to bring into Canada three sugar refineries. The sugar administrator has been in close touch with the sugar situation and should have been aware of any serious approach of that kind if it had been made, and yet I am informed that he does not know of any serious project to build additional factories in Canada during the war.

Mr. BLACKMORE: His memory is very short.

Mr. ABBOTT: I say this without going into the question as to whether additional factories would have added to the total amount of sugar available in Canada.

Finally, the hon. member asks as to the relationship between the government and this alleged great sugar combine. I have already stated and the house knows how sugar has been dealt with by the government during the war. Because of the nature of the commodity, the government felt that drastic action had to be taken at the very outbreak of the war. I do not suppose that under ordinary circumstances the sugar refiners would have particularly welcomed that action. Nevertheless, events have proved that the action was justified; and in view of my hon. friend's remarks I think it is only fair to say that the sugar administration of the government has received the most loyal and wholehearted co-operation from the sugar refiners of this country.

Mr. HANSON (York-Sunbury): They were guaranteed a profit.

Mr. ABBOTT: I should now like to turn to the provisions of the bill which is under discussion.

As I said at the outset, a good many points of substance have been raised in connection with this measure and, as some of the hon. members who raised them have indicated, I feel that a good many of these points can be more appropriately dealt with when the bill is before the banking and commerce committee. A good many of them involve questions that are perhaps of a rather technical or detailed nature, and the committee will probably want to call evidence in order to obtain the benefit of specialized views on these questions. However, there have been a considerable number of suggestions and criticisms involving matters of principle, and with these I should like to deal briefly in my remarks in closing the debate.

The first point is the need for the proposed bank. The hon. member for York-Sunbury (Mr. Hanson) and the hon. member for Rosedale (Mr. Jackman) in particular have suggested that in my opening remarks I failed to demonstrate the need for such an institution. I thought I had, and that thought has been rather borne out by the majority of the speeches which have been made on the second reading. The majority of hon. members who have spoken seem to feel that there is a definite need for an institution of this kind. I am convinced that there is, and, if I may, I should like to illustrate that need by a concrete example.

Take the case of an individual or a group of individuals contemplating the establishment of a small or medium-sized industry, say a plastic industry such as was suggested by the hon. member for Victoria, British Columbia (Mr. Mayhew) this afternoon. These people have $25,000 of their own capital. The enterprise they have in mind would require an investment of, say $50,000 to put up the plant, equip it with machinery and so on, and in addition to that they require $10,000 or $15,000 for working capital to purchase raw materials and pay wages until the product is sold. If they had $50,000, if they had the plant constructed and in operation, there is no doubt in the world that the existing commercial banks of the country would be ready and willing to make them that working capital loan of $10,000 or $15,000 to which I have referred. The difficulty they face is to get a loan of $25,000 to enable them to build a plant.

I know the experience of my hon. friend the member for York-Sunbury is greater than my

own. However, I have practised law in one of the largest industrial centres of Canada for over twenty years. In the course of that time I have acquired some knowledge of the financial problems of industrial enterprises, both large and small, and I know, and I believe the hon. member for York-Sunbury knows, that it would be extremely difficult for an enterprise of that kind to get that $25,000 to enable it to construct and equip that plant. There would be only two sources from which they could get it. They might possibly get it from one of the mortgage institutions, although as a rule life insurance and mortgage companies do not like to lend for five, ten, or fifteen years on mortgages on industrial property. They might get it from a private lender, but under those circumstances, I fancy, speaking from my own experience, they would probably have to pay a high price for the money.

I am satisfied, therefore, that in such a case —and I think it is perhaps fair to say that it is typical of the small or medium-sized industries which this bank is designed to assist—there would be no readily available credit agency from which that credit of $25,000 could be obtained; and yet the enterprise might be a perfectly sound one, quite likely to succeed, with competent management and all the rest.

The purpose of this bank is not, as some hon. members have suggested, to make obviously bad loans but to supplement the operations of existing lending institutions. It is not intended to compete, nor do I believe that it will compete, with existing chartered banks. It does not extend government ownership or control over those banks, and it does not encroach upon their operations in any way which in my view might undermine their earning power or their independence.

Incidentally, I was rather puzzled in listening to the hon. member for York-Sunbury and the hon. member for Rosedale when they expressed the view that existing credit institutions were entirely capable of taking care of intermediate or long-term credit for small industries in cases such as I have outlined, and particularly so because the day before the hon. member for York-Sunbury made his speech with reference to this bill I read in the Ottawa *Journal* what I assumed to be the latest supplementary programme of the Progressive Conservative party, of which he is such a distinguished member, and I noticed item five of the suggested programme recommending "consideration of the establishment of a central farm bank to operate in cooperation with private lending institutions."

I find it a little difficult to see why the credit requirements of agriculture should be so different from those of industry that they should require a government central farm bank to operate in cooperation with private lending institutions. I cannot help having a shrewd suspicion that if it had not been indicated in the speech from the throne that the government proposed to introduce legislation to create an industrial development bank we might not have seen a suggestion of that kind in one of these supplementary programmes. Be that as it may, I find a certain inconsistency between the suggestion contained in that proposed platform and the criticism which was offered, particularly by the hon. member for Rosedale.

The second point I should like to deal with relates to the scope of the bill. There has been a considerable amount of discussion of that feature. I simply wish to point out that loans will be made to industrial enterprises as defined in the bill; it is the type of business engaged in which is the limiting factor, and there is no intention to limit the operation of the measure by reference to the class of persons engaging in that business. The point was raised by the hon. member for Rosetown-Biggar (Mr. Coldwell) as to whether it would be available to cooperative enterprises. My own view is that it would. I do not know what the legal situation would be. I assume they are able to incur obligations, and I do not see why a cooperative carrying on industrial enterprises of the nature contemplated in this bill would not be eligible for credit under the proposed legislation.

I do not want to discuss detailed matters. They can be more appropriately dealt with before the committee. However, the question was raised as to assistance to mining. In that connection I would say that the facilities of the bank will be available to a mining enterprise which was in that stage of production; that is to say, if the mine wished financial assistance to build a smelter or a processing plant in order to process ore, then it would come within the definition of an industrial enterprise. On the other hand, the bill does not contemplate and would not permit loans to prospecting mining companies, and in my view I think it would be most undesirable for an institution of this kind—

Mr. HANSON (York-Sunbury): The hon. member means proven ventures?

Mr. ABBOTT: That is correct, proven ventures which have a plant or a mill in which they are processing ore.

The third point made was that all the credit legislation of the government should be brought in at the same time.

Mr. HANSON (York-Sunbury): Hear, hear.

Mr. ABBOTT: There is a good deal to be said for that suggestion, but in answer to the criticism I would say that the government considers that, whatever other credit legislation may be adopted, the creation of an industrial development bank of the nature provided for in this bill will be necessary in any event. It is a new institution. It will require a certain amount of time to organize, and it was felt that the bill for the creation of this bank being ready it was desirable to place it before parliament as soon as possible in order that parliament might discuss it and the banking and commerce committee discuss it. It was thought that was preferable to bringing down the Industrial Development bank bill, the Bank Act and other bills which may be introduced. Certainly they could not all be discussed at the same time. There may be some merit in the suggestion that they should have been brought down at the same time, but I think, Mr. Speaker, that it is not really a very serious objection, and that parliament and the country would probably be just as well served by this bill being introduced first and the members being given the opportunity. as they have been given, to debate it now and have it referred to the banking and commerce committee for detailed discussion there.

The next point which was raised along general lines was that capital resources of this bank are inadequate for the purposes which it is designed to serve. Here again, I wish to emphasize the point that this bank is only supplementary to existing credit agencies. It is not intended that this bank should provide all the industrial credit that is needed in this country. The larger enterprises, the larger concerns, which have been able to rely in the past on the investment market by making public issues of preferred stocks and bonds, may and should continue to avail themselves of that market. It is anticipated that they will do so. The comparisons that have been made with the increased national income are, I suggest, completely misleading, and as a final point on this question of the adequacy or otherwise it was felt that parliament might well object to creating what, for want of a better term, I may describe as an open-end credit institution. Just in passing I might state that prior to the war the industrial loans of the chartered banks averaged somewhere in the vicinity of $200,000,000. I cite that figure simply to give the house some idea that an institution with lending resources of $100,000,000 is not merely a drop in the bucket as some hon. members appear to believe.

There is also this further point. It is felt, and I believe rightly so, that the influence of this bank may well be greater than the amount of its own resources, and the very fact that the industrial development bank is willing to participate in an industrial enterprise may well encourage others to put in capital as well.

Finally, there is the point touched on by the hon. member for New Westminster (Mr. Reid) this afternoon, namely, if $100,000,000 proves inadequate it is open to parliament to amend the bill and to increase the permissible amount of loanable funds. There was objection taken to the association of this industrial bank with the Bank of Canada, our central bank. It is perfectly true, as the hon. member for Vancouver-Burrard (Mr. McGeer) and others have indicated, that the primary function of a central bank is to control the volume of money and credit in the country. But that fact does not preclude a central bank either directly or through a subsidiary, as in this case, from engaging in lending operations of a special character. There is ample precedent for that in the central banks of other countries. For instance, the federal reserve bank in the United States makes loans under section 13 (B) of the Federal Reserve Act. The Bankers' Industrial Development Company, to which the hon. member for Rosedale referred this afternoon, was set up under the auspices of the Bank of England, and I am advised that the central banks of other countries do engage in lending of a special character.

The hon. member for Vancouver-Burrard also raised the point that if this bank commences its operations with $100,000,000 of Bank of Canada money, which in the ordinary course would go out into the commercial banking system of the country, it would enable the chartered banks, the commercial banks, to expand their loans and deposits by some $2,000,000,000. While that is perfectly true in theory, of course, it would only happen if the Bank of Canada saw fit to allow this to take place. The chartered banks would be in a position to expand their deposits and their loans only to the extent suggested by my hon. friend if the Bank of Canada failed to take appropriate action. The Bank of Canada controls the reserves of the chartered banks. It is buying and selling securities every day for the purpose of increasing or decreasing those reserves, and the amount involved here would cause no difficulty whatever so far as controlling the reserves of the chartered banks is concerned.

Finally, Mr. Speaker, the question was raised that the creation of this bank was an undesirable encroachment on the field of private enterprise; that it was a field which private enterprise was quite capable of filling, and that consequently it should be left with private

enterprise to make loans of this kind. As to that, I suggest that in the past private enterprise in this country has not, for very good reasons, mind you, made the intermediate loans or long term loans of the nature contemplated in this bill.

Mr. HANSON (York-Sunbury): What are those reasons?

Mr. ABBOTT: I would say the principal reasons are, as I indicated in my opening statement on the bill, that their liabilities are entirely or largely of a demand nature or of a very short term nature, and that consequently the type of credit which our banking system contemplates they should extend is credit which will be for a year or not much longer than a year. Our banks, and I think quite properly so, have never gone into the long-term lending field, lending of the type I have described in the example I gave at the outset of my remarks. I feel that they quite properly have not gone into that field, and I think the wisdom of that course was demonstrated during the period from 1930 to 1935 or 1936 when banks in other countries ran into serious difficulties as a result of following a different policy.

The question of public ownership of certain enterprises is, of course, a moot one. My own view is that public ownership is only a means to an end. It is not an end in itself, and it is justified in those cases, but those cases only, where we have a policy that we wish to be carried out and where we believe that that policy can best be achieved by public ownership.

Mr. HANSON (York-Sunbury): The hon. member does not believe in the expropriation of the Montreal Power?

Mr. ABBOTT: Well, public ownership of power is certainly not a new development in this country; but I do not know that the expropriation of the Montreal Light, Heat and Power company is particularly relevant to the bill I am discussing.

Mr. HANSON (York-Sunbury): It follows naturally from what the hon. member is saying.

Mr. MACKENZIE (Vancouver Centre): A leading question.

Mr. ABBOTT: This bank is a publicly owned institution to assist private enterprise, and in my view is an ideal example of the partnership between government and private industry which is so much to be desired. I should like to conclude my remarks, which I hope have not been too long, by quoting from a speech made by Mr. Churchill a little over two years ago, in which I entirely concur. He was speaking in the Guildhall on March 21, 1942, and said:

> The modern state will increasingly concern itself with the economic well-being of the nation, but it is all the more vital to revive at the earliest moment widespread, healthy and vigorous enterprise, without which we shall never be able to provide in the years when it is needed the employment for our soldiers, sailors and airmen to which they are entitled after their duty has been done.

And a little later in his speech he said:

> And I tell you my solemn belief, which is that if we act with comradeship and loyalty to our country and to one another, and if we can make state enterprise and free enterprise both serve national interests and pull the national wagon side by side, then there is no need for us to run into that horrible devastating slump or into that squalid epoch of bickering and confusion which mocked and squandered the hard won victory which we gained a quarter of a century ago.

Motion agreed to, bill read the second time and referred to the standing committee on banking and commerce.

WAR APPROPRIATION BILL

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

The house resumed from Thursday, March 9, consideration in committee of a resolution to grant to His Majesty certain sums of money for the carrying out of measures consequent upon the existence of a state of war—Mr. Ilsley—Mr. Bradette in the chair.

DEPARTMENT OF NATIONAL DEFENCE FOR NAVAL SERVICES

1. Civil salaries, $6,511,987.

Mr. CHURCH: In the statement the minister made the other evening he covered almost every phase of this subject and left very little for a member of the opposition to say. I believe the record of Ontario and of Toronto has been most creditable as far as the navy is concerned, with 2,044 officers and 29,958 ratings enlisting in that province and city. Starting from scratch the navy, the senior service, has written a glorious page in the history of courage in this war, and I believe a great deal of the credit for the showing made by the navy in the Toronto district is due to the work which was done by the city itself, the harbour commission and the schools. I was a member of the Toronto harbour board when it was first formed, before the Navy League was formed, and the city of Toronto was very generous in helping the senior branch of the service with grants of all kinds and tag days. I remember when there was no navy

league, when the sea cadets carried on the work; I can also remember when there was a navy league, which sometimes between the two wars went to sleep on the job. I was glad to hear the minister give credit to the work done by the sea cadets, who were largely instrumental in bringing so many men into the naval service and merchant marine.

The reclamation work in the harbour of Toronto covered twelve or thirteen miles of waterfront; and notwithstanding what was said the other evening, a great deal of that work to aid the senior service was done by the public bodies I have mentioned and by the rowing clubs, the canoe clubs, the swimming clubs and the small yacht clubs; not the larger clubs, which were not much interested at the time. From 1923 on, splendid work in connection with the navy was done by Commander Hose, who had a great deal to do with putting the naval service on its present basis. At one time the navy had a boathouse at the western end of the harbour, at Hanlon's point; then the old steamer *Cambria* was given to them, and it was kept at the foot of York street before the waterfront improvements were begun in 1913. With the coming of the viaduct it was necessary for us to move the various aquatic clubs out to Sunnyside, and after that the navy work was carried on with the assistance of grants from the city of Toronto and tag days held by the Navy League, and so on. I want to make a fair statement of the case, and I shall take only a few moments to do so.

Shortly after the war we were visited by three admirals of the fleet. The first to come was Admiral Jellicoe, in December, 1919. I showed him the old quarters of the sea cadets and the naval volunteers. Later on we had a visit from Admiral Beatty, Admiral of the Fleet, and the third to visit us was Admiral Tyrwhitt. The work of the Navy League in Toronto was greatly aided by regattas and tag days held by it. I was glad to see the minister at the Canadian Henley last year. We had the Dominion day regatta, the high school regatta, the canoe regatta, the swimming regattas, the Canadian Henley, and finally the exhibition regatta in the fall. We also had a visit by Mr. Peter Wright, president of the British seamen's union, who came to urge that something should be done for the merchant marine of this country. I well remember in this house, when I was calling attention to the necessity for rearmament on land, on sea and in the air, for many years before the present war broke out, and between the two wars, that when there were several disasters on the great lakes I suggested advancing the grain crop from the head of the lakes, ships were wrecked, and we had no proper merchant marine service on the lakes or aids to navigation to take care of those men. Many of them were drowned, and all they could do was blow a whistle, in the hope that they would attract the attention of some United States life-saving station in order that their lives might be saved. That showed the length, depth and breadth to which disarmament and pacifism had gone in this country.

In my opinion the statement made by the minister is a most commendable one, because we must realize that the sea is our life. This empire came into being by the sea, and cannot exist without it. But between the two wars disarmament and the reduction of our sea power had its effect. As I have said on many occasions when speaking in that period between the two wars, I have been opposed to the absolute complacency of parliament in not having paid more attention to this matter. It has been stated in our financial statements that at one time we were the fifth trading nation of the world. I pointed out that we had no fleet, with the exception of the merchant marine, and that that merchant marine was doing good work on the oceans and the seas, and in the inland waterways of Canada. As I said, at a most critical time nothing was done about it.

In 1937 I urged a vast shipbuilding policy for Canada and the empire. The imperial conference was about to be held in London, and it will be remembered that New Zealand and Australia asked for a vast empire shipping and air scheme, not only to look after conditions at that time, but to prepare for what was believed to be an approaching war. Canada said, "We have no commitments," and that parliament would decide. We missed one of the greatest opportunities at that conference to prepare for this war and to join in the work. I have always laid stress on the importance of our merchant marine for the defence of Great Britain—and not only Great Britain, but the whole empire. I have called attention to this fact on many occasions when speaking in the house. I have asked about the inability of the British merchant marine and empire to retain the commercial supremacy they had for 150 years, without increased votes and without looking after the merchant marine.

The merchant sailors got very little help. I have seen steamers leave Toronto, many of them without proper crews. All they could do was pick up some stragglers on the docks. I was glad to hear the minister's announcement the other night with respect to the sea cadet movement, which is preparing a way not only

for the present war but for the merchant marine trade war which will follow. The sea cadets are being trained so that when they take their places in any ship of any size, either on the oceans or on the inland waterways of Canada, they will be found helpful. This is a most commendable feature. I saw something of them at the Royal Canadian Henley. I was glad to see the minister there, and to note the interest he has taken in this particular branch of the work of his department. It is the most important of all.

Before the days of Munich, in 1934, 1935, 1936 and 1937, I urged in the house that we should do something for those who were riding the rods, young men who were coming out of high schools, numbering about 250,000 each year. I proposed in the debates of those days that instead of spending a billion dollars on the dole, as was done by the municipalities, provinces and the federal authorities, we should do something for those young people. In that I was borne out by my late friend, Mr. Rogers. I took that stand, realizing that since the days of the Nile rebellion we have been an aquatic people. It will be recalled that during the General Gordon trouble in the Nile river they had to send to Ontario and Quebec, to the lumber camps, to get men to navigate the rapids. For many years before the war I urged in the house that we should have a naval policy, a grant to Singapore base, and should have adopted the Jellico report for the pacific. We should have had a vast shipbuilding policy, and in addition to that we should have gone into some sort of educational system by which we would have taken the young people who were riding the rods in the days of depression and given them an opportunity to learn trades and have a military training. At the end of three years, after having served their apprenticeship, they would have been ready to man any ships on the lakes or the oceans. Had we followed that suggestion, not only on the sea but on the land and in the air we would have had at least 25,000 skilled pilots and air mechanics, and at the outbreak of war we would not have had as much trouble.

I am glad to see that provision is being made for the future, because, when the war is over—and there is no doubt about this at all—Canada will have to maintain a large army, navy and air force for many years to come. There should be a future for the young people who are coming out of the high schools and universities to-day, and entering the navy. There should be some future occupation for them, and they should be able to accept naval service as their profession; because, if we are to hold our own in the days that are to come, both in war and after the peace is won, we shall have to do something to maintain our position as a great trading nation on the seas.

The Book of Common Prayer—it is not often read in the house—does contain two prayers which the rubric directs shall be read and used twice a day by those in His Majesty's navy. In one of those prayers the officers and men pray that they may be a safeguard unto our Most Gracious Sovereign Lord King George, and His Dominions, and be security for such as pass upon the seas, upon their lawful occasions. I direct attention to the last few words, "upon their lawful occasions", because they describe most eloquently the true function of the whole fleet, and the duty of the navy. It means that it has a duty in peace and war, one which is realized by all who serve in it, from the ratings to the top, to establish and maintain order, justice and freedom in the world; for sea power is not an instrument of tyranny; it is anti-tyrannous. It does not seek domination, but offers freedom for all those who pursue their lawful occasions, as it is set out in the Book of Common Prayer. So that I believe the minister, in the step he has taken, has fulfilled the object of that particular work.

In 1793, during the darkest hour of the war with Napoleon, Pitt referred to the drawing forward of many domestic matters, and the drawing of red herrings across the trail to divert attention from the war, which was then in a most dangerous state, despite some recent victories. Pitt said, "We are engaged in a war for the purpose of defending ourselves against foreign enemies. Is this the reason why we should hazard the consequence of it by distraction at home?" That is more true to-day than it was when he said it away back in 1793. Therefore I hope that for at least the remainder of the war we shall give almost exclusive precedence to matters connected with the war.

Since the minister made his last statement a year ago to the house there has been a vast improvement, so far as his department is concerned. A year ago the war in the Atlantic was in a grave state. It caused many anxious hours not only to the mother country, lest she might be starved out, but to others. The war in the Atlantic was in a most precarious state, and the position was grave. The mother country for centuries has depended upon her supremacy on the seas. But no army, navy or air force could defend them if the merchant marine were inadequate or ceased to function.

The sea is our life, and without in any way deprecating the splendid work that has been done, and will again be done if necessity arises, by our soldiers and our airmen, it is an undeniable fact that any war in which we

may find ourselves involved against a maritime nation will be won or lost at sea and nowhere else. The greatest menace on the Atlantic during the past year or so undoubtedly has been the U-boat. For a long time the organizers of our defence against this deadly menace ignored the fact that the U-boat could be mastered only by combined operations in the air and on the sea. But the inertia of the higher war direction was at last overcome; the fleet air arm was strengthened, and the admiral commanding and the commodores of the western approaches were given the means to counter this attack. The results are shown by the figures. On November 10, 1943, Mr. Churchill issued an Anglo-American statement to the effect that during August, September and October, 1943, some sixty U-boats had been destroyed. This was mainly on account of the fact that there was unison between the operations on land, sea and in the air. We had land forces in Iceland because we realized that an air base can be held only by an army. The result of all these operations has been that the U-boat has practically retired from the Atlantic.

The figures given on page 17 of the February issue of "Canada at War" show the magnificent achievement of our Canadian merchant marine. I quote some of these figures:

Certified to date in central registry, Ottawa	44,498
Merchant seamen's identification certificates issued	29,083

In his statement the minister referred to the success achieved in the Mediterannean. I referred the other night, when speaking on the air estimates, to the glorious work of the Royal Navy. I was glad to hear the tribute paid by the hon. member for Vancouver North (Mr. Sinclair) to the Royal Navy and Admiral Cunningham. I have already spoken on these matters but I repeat my remarks to-night. Other matters can be taken up when the various items are before the committee, but in conclusion I should like to refer to one or two matters.

Something should be done, and I hope it will be done before very long, in connection with the adoption of a scheme of national insurance for the three forces. A great deal of economy could be achieved through such a system. Many of our young people are going to be lost in the months to come and we should consider the great losses which the navy has sustained because of lack of proper preparations. A system of national insurance such as they have in the United States would save us a great deal of money, especially in connection with the Department of Pensions and National Health and the payment of subsistence and other allowances to families after the war.

We had a long statement about the pay and allowances in the three forces, from the heads down. There are still many inequalities, even in the navy. I want to plead the case of the low paid man. We have a citizen army, a citizen navy and a citizen air force. When a man joins the forces there is no reason why he should lose his status as a citizen. Nearly all these men own property of some kind or another and their investments should be protected. A cost of living bonus should be paid to those men and I hope that these matters are taken up at the proper time.

We are part and parcel of the British empire. On four or five occasions I have called attention to the great need of ports and bases on the Irish sea. Those ports belong to the empire and I hope that this matter will be taken up before very long. I realize that this does not come under the minister's department; it probably belongs in foreign affairs, but the fact remains that New Zealand, Australia and the United States are asking that something should be done. We should have some statement about this. A little while ago I received a letter from Mr. John M. Andrews, formerly Premier of Northern Ireland, in which he referred to the great losses that had occurred through lack of bases and from espionage. He said in part:

> The empire must stand together or break up. The neutrality of Eire has been a great disadvantage in this tragic world war and has cost many gallant lives of British and Canadian citizens, as well as those of the United States.

I hope that something will be done to strengthen the hands of the mother country. I hope that something will be done to prevent the giving of signals and tip-offs by spies as was done at the time of Dieppe and Dunkirk. I wish to compliment the minister upon the statement he has given to the committee. Thirty-two thousand men have joined the navy, mostly from the central part of Ontario, and I trust that something will be done immediately about building the new naval barracks at Toronto. The city has provided a site on a waterfront that cost over a million and a half to fill in behind a retaining wall. This is the second occasion since the last war on which Toronto has provided a site for the navy, the other one being on the waterfront at the foot of Dowling avenue, given for one dollar a year to the Navy League while I was chairman of the harbour board.

I hope that something will be done to provide greater protection for our soldiers, sailors and airmen after the war. These men must

now be taken through the northern channel on their way to England when we should be able to use the southern channel to Portsmouth and other ports. If we had not had the use of those bases off Eire in the last war we would have lost it.

Mr. MACDONALD (Halifax): Mr. Chairman, like other speakers who have taken part in this debate I listened with great interest to the review by the minister of the activities of his department. I should like to congratulate him upon the excellence and clarity of his speech, and upon the record of the navy. The record of the Canadian navy in this war is an impressive one and one for which the minister is himself entitled to a great measure of praise. The principal base for the navy is Halifax and any one who has the slightest knowledge of the life of that great port must realize the great task being accomplished by the Canadian navy. As is well known, Halifax is the western terminus of the Atlantic lifeline. It is the control station for the north Atlantic. Throughout the war it has been the outlet for munitions and men. From that port have gone forth great convoys of ships.

One of the most critical phases of the war was the enemy attempt to sink shipping in the Atlantic and prevent our fighting men and supplies from reaching the other side. We have reason to be thankful that that attempt has not met with success. Only a few days ago it was announced that the shipping losses of the allied nations for the month of February were the lowest of any month since 1941. In the defeat of our enemies' attempt to sink shipping and in the successful anti-submarine activities on the Atlantic the Canadian navy took a leading part, the full story of which has not yet been told. It is one in which all Canadians might well take pride.

I wish to express my appreciation of the work done by the Department of National Defence for Naval Services at the dockyard and elsewhere in Halifax and Dartmouth. New buildings have been constructed; improvements and additions have been made, and we now have a thoroughly modern and well equipped naval base. One cannot but be struck with the transformation which has taken place since 1939. I have often thought how much farther we would be advanced to-day in the task of defeating our enemies if we had had at the outbreak of the war the naval facilities which we now have in Halifax or any substantial part of the navy's present strength in personnel and in ships. The submarine menace would have been much sooner overcome; many precious lives would have been saved, and many valuable ships with their cargoes need not have been lost.

I commend the progressive and far-sighted policy of the navy in acquiring Tribal class destroyers by purchase. It is not without significance that destroyers of this class are designed for offence and not for convoy. Particularly do I commend the government for their decision to build this class of destroyer in Canada. The minister has told us that Tribal class destroyers are the best and fastest afloat. They are heavily armed: They carry as part of their armament 4·7-inch guns. One of this class of destroyer, H.M.C.S. *Micmac,* was launched at the Halifax shipyards last autumn. I am sure that the many thousands who saw that vessel proceed down the runways into the water must have hoped that she was the forerunner of many more which would be built in Halifax, and that the building of warships will continue to be a permanent and an indestructible industry in the life of that city.

A most important work being carried on by the navy to-day is the repair of warships and naval craft. It has required the presence in Halifax of many thousands of naval personnel, most of whom are skilled tradesmen. They are engaged in work of the highest priority. It is work which is carried on night and day, seven days a week. The repair facilities of the dockyard and the ship repair yards in Halifax and Dartmouth are taxed to the utmost, and they will, I am sure, continue to be used to full capacity for many years after the war is over.

That which is of great interest and importance to the people of Halifax to-day is the continuance of the building of warships after the war. This raises the question of the role of the Royal Canadian Navy in peace time. The navy is now, I understand, constituted of over 250 fighting ships and over 80,000 personnel. Would the minister give the committee some idea what it is anticipated the strength of the navy will be in peace time, and also his view with respect to the continuance of the building of destroyers and other naval craft in Halifax when the war is over? It is true that the war is not yet won; and until it is, our maximum effort must be directed toward its successful and efficient prosecution. The time is come, however, when we are justified in giving some thought to post-war conditions and post-war planning. I realize that money costs and other factors will assume great importance when peace-time estimates for the armed services will be up for consideration in this house. The heavily burdened taxpayer will make his voice heard. I would not want, however, to think there is any possibility of the discontinuance of the building of warships in Halifax or in Canada because of false economy. The industry must

not be endangered by a policy of centralization. Maritime industries must not have to close up because of their centralization elsewhere for purposes of economy.

I also hope that never again shall we allow our navy and the other armed services to dwindle into insignificance as they did at the termination of the last war. I would expect that a certain measure of navy, army and air force activity will continue in Halifax when the war is over. It will be little short of a calamity if, for instance, our dockyard, now modernized and at a high degree of efficiency, is allowed to fall into disuse.

It is not only the naval facilities of the city of Halifax which have been improved. New buildings have been constructed for army accommodation, and we have not far from the city limits, a well equipped and modern aerodrome which after the war will help to meet expanding air travel requirements.

There is another matter which I wish to bring to the minister's attention. A survey of housing conditions in Halifax has been commenced by E. L. Cousins, wartime administrator for Atlantic ports. He has been studying the problem for months. Questionnaires have been sent out to every man and woman in the city over the age of eighteen. They are asked to answer questions as to their occupation, their length of residence in the city, and also as to whether their wives or husbands are members of the armed services or the merchant marine. It is well known that the acute housing condition has created very difficult conditions in the city of Halifax. It is to the credit of her citizens that they have recognized that this situation has been caused by expanding war activities and that they have accepted it in the proper spirit. Of course there are always some to be found who for political or other purposes attempt to mobilize grievances arising out of these conditions and to capitalize the natural desire of the people to return after the stress and strain of war to normal life. Happily they are few in number and they succeed in fooling no one but themselves.

Mr. Cousins, when announcing his proposed survey of conditions in Halifax, gave a statement to the press in which, referring to redistribution of population, he said:

> The present condition of population congestion had, of necessity, to be dealt with, and in the first instance some relief provided in the form of redistribution of population.
>
> From the viewpoint of prompt relief, the solution of the problem was not to be found in more housing accommodation. The time factor for construction during the winter period, in conjunction with the general material and artisan labour situation, did not permit it, therefore it was necessary to request the co-operation of the R.C.A.F. and the army as to their assigning to the navy a portion of their hutment facilities. The rapid but necessary expansion of all the services, particularly the navy, has resulted in serious population congestion in Halifax, Dartmouth and vicinity, and some two months ago there were over 7,000 naval officers and ratings living out of barracks, plus some three thousand dependents in these areas.
>
> As to the R.C.A.F. the number was 1,455, and for the army 1,277.
>
> The R.C.A.F. officials kindly cooperated in turning over the major portion of their "Y" depot quarters to the navy. This transfer was made early in January of this year, with the result that on completion of this movement it will permit of housing some 3,000 officers and men of the navy. The officials of the army are also cooperating to the fullest extent in an endeavour to provide more barrack accommodation for officers and men, also the Merchant Seamen's Pool are cooperating as to the use of a portion of their facilities for general use, so that in a reasonably short time we should be in the position of providing barrack accommodation for approximately 4,500 officers and men who were previously living out of barracks on subsistence allowance, thereby relieving the rooming-house congestion in both Halifax and Dartmouth.

I think Mr. Cousins' statement makes it clear that the acute housing situation which has developed in Halifax during the last year has in his opinion been occasioned primarily by the rapid expansion of the navy and the fact that arrangements were not made to provide adequate accommodation in Halifax for the greatly increased naval personnel in both officers and ratings.

I do not wish to be understood as passing strictures on those charged with the responsibility of running the navy. I fully realize that warships cannot be held up awaiting repairs, but I would ask the minister whether the transfer of naval personnel of the "Y" depot, and other transfers proposed by Mr. Cousins, will be made and, if so, whether they will solve his housing difficulties in Halifax. I should like to know whether further construction is contemplated for the accommodation of officers and ratings now on subsistence.

The building programme now under way of the armed forces in Halifax is fast nearing completion, so that a supply of skilled labour will soon be available. I should like also to call the minister's attention to one other matter, namely the urgent need in Halifax for restaurant and recreation facilities for members of the services. A large dance hall and canteen is badly needed. Even more urgent is the need of restaurants. The serious situation that existed in Halifax has recently been aggravated through loss by fire of the Knights of Columbus hostel, which I hope

will soon be replaced on a much larger scale and with much greater dining-room accommodation.

I would ask the minister to cooperate in any way he can in helping the Knights of Columbus war services to get the materials needed to complete the new building and hurry the work through. I realize that the Anzac building has been taken over by the Canadian War Legion services. This building has been remodeled and the Canadian War Legion will soon open a cafeteria. This will improve conditions to some extent but it will not fully meet requirements. I know that the three services are interested in recreation and restaurant facilities, but the navy has the greatest interest because of the very large number of naval personnel now on subsistence in Halifax. I should like the minister to deal with these questions before his estimates are disposed of.

Mr. ROSS (Souris): May I add a word to what has been said as to the growth and development of the navy during these war years. The work they have done in convoying troops as well as food and munitions for the united nations has been remarkable and is something that Canada might well be proud of.

The minister pointed out that the most important obligation is the winning of the war. I suggest that the war may yet be far from won. I have been struck with the figures placed on *Hansard,* showing that from the most central of the prairie provinces, my own province of Manitoba, there has been an enlistment of over 6,200 officers and ratings. To me it is remarkable that these lads from the prairies should make the efficient sailors that they do. Many of them prior to enlistment had never seen a body of water apart from a prairie slough or creek. A number of these gallant lads from my own constituency have already made the supreme sacrifice.

The minister stated that with respect to those who will return home for demobilization and rehabilitation a directorate has been set up to study the problems of demobilization, rehabilitation and kindred matters and that they will work with the officers of the other armed services and other departments such as the Department of Pensions and National Health. As I have pointed out on other occasions to the ministers of defence for the army and the air, and as I now suggest to the Minister of National Defence for Naval Services, many matters regarding those who are discharged from the armed services are still very unsatisfactory. I might mention, for example, clothing allowance. I repeat this, because I think it should be repeated. I assume that those discharged from the navy will be granted the same allowance as is given to those from the other armed services. I refer to mustering-out pay and general rehabilitation. May I repeat what I said to the other ministers and express the hope that the present minister, in cooperation with his colleagues, will have some improvement brought about for those under his department who may be discharged. I submit that something ought to be done to improve matters with regard to clothing allowance, mustering-out pay, general rehabilitation and so on. These and other matters may be brought up under the various items, but I wanted to take this opportunity of saying something with regard to the many gallant youths who have gone into the navy from the prairies and the central part of Canada and who are doing such a fine job.

Mr. KINLEY: Many have spoken from all sides of the house on this motion, which is supply for the Royal Canadian Navy. Members who have contributed to the debate come from all over the dominion and I am sure they represent public opinion generally. They all speak in praise and appreciation of the services and achievements of the Royal Canadian Navy. I am sure it must be pleasing to the minister and I think it is a tribute to him, as Minister of Defence for Naval Services, and also to Canada's navy. We in Nova Scotia have always admired ships and the men who go down to the sea. It is a part of our tradition and we meet it in our daily toil. While it would be expected that we would have every appreciation for the navy and its activities in war-time, I think it is most pleasing that it has caught the imagination of the whole of Canada as it has. It shows that we are becoming sea-minded. That will be a good thing for the maritime provinces in the future. Canada will depend upon foreign markets in the future. The sea is the road to the foreign market. The roads must be kept secure and open. While the navy is busily engaged at the present time in defending our shores and contributing to the work of the allied nations in winning victory, I am sure that it will be retained to do a good service when peace comes to this and other nations. Foreign trade depends to a great extent upon the navy. The navy maintains our prestige. It visits foreign ports. It carries our flag into all parts of the world. In the past we have depended upon the British navy. I am sure that Canada has received great benefit from the fact that our navy flew the white ensign and that it was associated with the British navy. But I think the time has come when we must do something for ourselves, and on our own, and I believe that one of the things we

must be sure of is that Canada will have a substantial navy that is worthy of the traditions and of the efforts of this country in order that we may pursue our foreign trade, which will play such an important part in activities after the war.

It is nice to know that every part of Canada is interested in the navy. We down by the sea are particularly interested because, while the boys come from every part of Canada and every section of the country have contributed a splendid quota to the navy, yet we have the rendezvous of the men and the ships. We see them depart from our shores, and after performing their tour of duty at sea they come back and visit in our ports of Nova Scotia. Nova Scotia in the winter time is the only rendezvous, with the exception of Saint John, New Brunswick, for the Royal Canadian Navy, because of ice conditions on the Atlantic. Because of those conditions the southern and western coast of Nova Scotia is the only place where refitting can be carried on in the winter time and where the navy can enter and depart without difficulties caused by ice.

The navy must be refitted. I think we are doing a splendid job there in keeping the navy in a fit condition for sea. The refitting of the navy is a highly technical job. A ship is a mechanized machine. It calls into play almost every feature of modern applied science. A ship must be kept in repair and seaworthy. Her power equipment is of many kinds and types. There are different designs and types of engines. The turbine engine, reciprocating engine, diesel engine, internal combustion engine, gasoline engine, the electrical equipment and the armament—all these demand technical skill and properly-trained men to operate and care for them. Then there is the auxiliary equipment, equipment for purposes of intelligence such as asdics, compasses, signals and all the things that go to make the ship an effective weapon upon the sea. You must also provide for the accommodation of a lot of men. They are placed in rather close quarters on the ship. Their comfort must be looked after. They must be fed. Taken all in all, a ship is a highly technical machine that demands the highest training and men of skill and experience. We have in Nova Scotia at the present time schools where men are trained for the Royal Canadian Navy. I wish to refer particularly to one of those schools, a school that is known as His Majesty's Canadian Ship *Cornwallis* situate at Deep Brook on the Annapolis basin.

I have heard a lot of talk in this house about good harbours. We all know that Halifax is a good harbour. We know there are good harbours on the Pacific coast; but I doubt, Mr. Chairman, if there is a place on the Atlantic coast more adaptable or more secure than the place where His Majesty's Canadian Ship *Cornwallis* is situated. It is situate on tidewater just at the foot of the South Mountain in Nova Scotia. It has the South Mountain on one side and the North Mountain on the other side and it is on Annapolis basin, a beautiful sheet of water twenty miles in length, with adequate depth of water, protected on all sides from the sea and free from ice in the winter time. The entrance to it is through what is known as Digby gut, a narrow neck of water. On both sides of it there is high land easily protected, making secure the naval base. Ships entering Annapolis basin must come up the reaches of the bay of Fundy, with the United States on one side, Nova Scotia and New Brunswick on the other side. The road to Annapolis basin would be a hazardous one for any enemy ship to undertake. I believe that Deep Brook, where His Majesty's Canadian Ship *Cornwallis* is situate is the most secure from the land, the air and the sea of any place I know of along the Atlantic coast. I am supported in this opinion by men of high naval training, men in the other branches of the services who have given it great consideration.

The places where ships are repaired in Nova Scotia are on the southern coast, and the port of Shelburne, the port of Liverpool, the port of Lunenburg, and the port of Halifax. The training station is across the province on the other side, protected by the equipment on the south shore; and while we on the south shore would have liked to see this station placed nearer to ourselves, I am sure that the navy was wise when they chose Deep Brook as the great naval training station in Nova Scotia. You know, Mr. Chairman, the French came here over two hundred years ago. Champlain and those other great French leaders chose Annapolis basin as their rendezvous when they first came to Canada when the explorers wanted safety. Apparently they knew what they were doing. To-day, at Annapolis, we have Fort Anne, built by the French, which is one of the show places of Nova Scotia. Only a few years ago there was revived what is known as the Order of Good Cheer, patterned after the association set up among the men who were with Champlain at Annapolis, and who passed the long winter evenings in association with each other. That organization has been formed as part of our tourist movement in Nova Scotia, and we invite all Canadians to join it.

I wish to say just a word, Mr. Chairman, about a company of men whom I think deserve the admiration of the people of Canada. A

few months after the beginning of the war a band of Norwegians came to our shores. As you know, Norway is not a big country but it is a great country. Norwegians have sailed all over the world, and their fishing industry and merchant marine are worthy examples to all other nations. Their whaling fleet was in the south seas when war broke out. Naturally they were not permitted to return to Norway, and the admiralty directed them to the province of Nova Scotia. They first came with their ships to Halifax, but we thought they should be invited to make their headquarters in the port of Lunenburg, the largest commercial fishing centre in Canada, and so they came there and brought their ships with them. The first thing they did was to refit and rearm their ships, which was done in our ports; then they took their place with the Canadian and British navies in protecting the sea routes of the north Atlantic. They opened a training school, to which they brought men from all over Canada and the United States to train for the Norwegian navy. They were with us for nearly three years, during which they built a splendid barracks, which is now used by the Canadian naval service. These men were our fellow citizens for that length of time. They were superior men. They had followed the sea; they knew discipline, and their example was so good that perhaps we were a little envious when they first came to our port. Now they have headquarters in the United States; most of them are at sea and some have made the supreme sacrifice.

The thought I should like to leave with the minister is that these men were making history for their country while they were in Canada, and in addition, while here, they formed an element in the defence of the coast of Nova Scotia. They were training for service with their own navy; they were more or less outside the circle of things in London and other places where Norwegians received more attention, and it seems to me that something should be done to commemorate their service to Canada and their sojourn in this country. If we have any typically Canadian decoration I think it should be given to those Norwegians, for they earned it by their courage, their discipline and their contribution to this country. I am sure they enjoyed the hospitality of Nova Scotia, which is made more manifest as a result of the war and because of the admiration we always have for ships and sailors. When we said good-bye to these Norwegians we felt that we were losing good citizens. We believed they were men who would do a good job wherever they went. We hope that ere long they may return to their own country, freed from oppression, and help it once more to become a great marine nation.

I want to thank the minister and his department for several things they have done in the last few years that concern the people I represent. The deep-sea fishermen of Nova Scotia go one hundred, two hundred or three hundred miles out to sea. They go east of Newfoundland to the grand banks, the St. Pierre bank, the middle bank and off the coast of Nova Scotia, and they are subject to all the war-time hazards in addition to the hazards of the elements. Our men felt that the submarine danger was so great they were sure to be attacked; and while they were prepared to accept that as one of the hazards of their calling, they thought that to be left alone in a dory three hundred miles out to sea would put them in rather a hopeless position. They came to me, and with the assistance of the minister I was able to get the admiral of the fleet on the east coast to confer with them and arrange for a patrol, so that if they were torpedoed they would know where to find a place of refuge. They were also placed in a restricted area, where they could fish without fear of being run down by the convoys, and our fishermen expressed their great appreciation for the consideration they had been given by the navy. At another time while the navy was operating in St. Margaret's bay, a very deep and spacious body of water west of Halifax, during their training activities they destroyed some of the fishermen's nets. I suppose it was unavoidable, but we brought the matter to the attention of the navy, and they decided that they would so restrict their operations as not to interfere with the shore fishermen. In addition, an undertaking has been given that the nets which were destroyed will be paid for. Some of the fishermen have already been reimbursed for their losses, and I trust that in the near future the others will receive their money so that this spring they may be able to buy new nets in order to carry on their business.

We are also very much interested in the merchant marine. Nothing is too good for it. The merchant marine faces all the dangers that exist today without very much in the way of defence. It is true that these ships have guns with which they may protect themselves to a certain extent, and I understand that there are two naval men on each ship, but the gun crew is composed of members of the merchant marine. Something has been said here about the merchant marine being forgotten. Well, an order in council was passed which for the first time, in war or in peace, placed the men of the Canadian merchant marine in the same

category as members of the armed forces with regard to pensions and with regard to any disability they might suffer by reason of war activities. May I tell the committee that from my own home town two schooners were sunk in collision because of wartime action. In one collision over twenty men were lost. The Department of Justice interpreted the statute liberally, so that the wives and families of those men are protected, and they are recognized as the dependents of men who have done a splendid service.

There are some who believe that the merchant marine should be put into uniform and be regimented, and they seem to think this would be an easy thing to do. But we must remember that men of the merchant marine come from every quarter of the world. They are the men who assemble in seaports, wherever there are ships. They go from one port to another; and while I suggest that their services should be recognized, and that we should do anything we can in order to have their services recognized as those of first importance, yet it is difficult in connection with the merchant marine to regiment them the same as we would the personnel of the army, the navy or the air force.

Let me point out, too, that the air force has a considerable marine section. In our part of the country we continually see them in our harbours. We build them and they come there for refitting and reconditioning. The air force has a marine section which is very practicable, and doing a great service along our coast.

When we think of the merchant marine we immediately think of the Navy League. The Navy League of Canada is doing a splendid job for the men of the merchant marine. I am sure anyone who knows Halifax will have seen there the work the league is doing in the interest of seamen, and they will say, "God bless the Navy League." The ditty-bags given to the men at Christmas-time are all provided through the good offices of the Navy League. Our ladies receive letters back from the boys, and some of them say, "Your ditty-bag was the only present we got at Christmas. It was splendid. We thank you for it and we hope that your work will prosper."

In Nova Scotia we have a double duty, because the men of the navy are our guests when their ships come to port for repair. Every vessel must be in port a month to six weeks once every year to have repairs. We know that those boys are receiving a hospitality in keeping with their needs, because our people are most anxious that their morale and their health shall be sustained both in the interests of our country and of the men themselves. The women along the coast of Nova Scotia work continuously for the navy, the air force and the other services. In my own town the Canadian Legion, a veterans' association, has done splendid work. At that point they have a big hostelry where the men of the navy and the other services are invited to come every night of the week. On Sunday nights they have sing-songs, and they have dances once a week. Ladies of the Imperial Order of the Daughters of the Empire are continuously working with the Navy League. They make sweaters and socks, and all those comforts the men require. Women's institutes and church organizations in Nova Scotia are contributing their share to the welfare of our men on our coasts. There are dances every week, which are properly chaperoned by the ladies of the town and are under the supervision of naval officers.

I say to the committee that, notwithstanding what has been said about other ports in Canada, down there life is clean and pure, and your boys are in a healthy atmosphere. Their parents can feel that they are well looked after, that they are behaving themselves and that they are a credit to Canada. Lunenburg is a naval base and repair port. Liverpool teems with activity, carrying out repairs for the navy. All hon. members know that Halifax is a great port, where all this work is carried on.

Then, with regard to the navy may I say that much of the work carried on below decks is not spectacular. Much must be done to a ship before she can sail the seas, or take part in that show which we all admire. While we may hear about a vessel when she is at sea, we must realize there are thousands of boys working in the construction and repair shops, and in special services of the navy, who are doing a good job of work. Were it not for them, most certainly the navy could not do its work.

As a member from Nova Scotia I believe I should emphasize the fact that while the navy and industry look after the equipment and refitting of ships, we have a special and personal duty to look after personnel from all parts of Canada who are in our ports. Jack ashore makes a lively scene in our community. There is something about the sea that brings out social characteristics one does not find anywhere else. Comradeship of the sea is generous, and it is liberal. It is international in its aspect. It goes all the way toward those who work on the sea, who face the elements and who fight battles in which there is no quarter. I am sure that down there that

comradeship is so exemplified and so well carried out that while there might be some question of pollution existing in some of the congested parts of Canada, I can assure the committee that in the ports along the south shore of Nova Scotia life is clean, and everything is as it should be.

When we first started receiving these men from the navy I thought perhaps we were a little extravagant in providing washrooms, toilets and all those things men must have on the waterfronts in order to keep clean. But I changed my mind, because I concluded there is great need; nothing is too good for the health of those men, and we must see to it that they are kept clean and healthy. People come to me and say, "Oh, they are putting linoleums on ships. Look at the extravagance." I want to tell the committee that I have never seen a carpet in an air force or army mess, or a linoleum on a ship that was better than those we have in our homes in the town of Lunenburg. And if we can afford to have them in our homes, then surely the boys who go to sea in congested quarters, boys who are away from their homes and rendering service to their country are entitled to any little comfort they may get when they are off duty, when they are away from danger, or in a place where they may recuperate for the hard days ahead.

We in Nova Scotia are all for the navy because it is part of our life and traditions. We hope that it will be victorious and will continue to carry on. We hope, when peace comes, it will be one of our agents to promote our foreign trade and protect our dignity in other lands, to show the world in after years that Canada is a country that will be great upon the sea.

Mr. PERLEY: Mr. Chairman, coming as I do from the prairies it is always interesting for me to listen to maritimers speak, particularly on a subject about which I am frank to say they do know something. But why should they not know more about shipping, naval affairs and the like than we who come from the prairies? The hon. member for Queens-Lunenburg (Mr. Kinley) is an exceptionally enthusiastic maritimer. Before he spoke this evening I asked him how long he expected to be because I was anxious to say just a word or two. He said he would be about fifteen minutes, but I notice that he took nearly forty minutes. However, when he referred to the purity, cleanliness and sweetness of the naval centres in the maritimes I did not mind him going on because so many of our boys and girls from the prairies are down there.

[Mr. Kinley.]

Before this first item passes I should like to take a moment or two to express my admiration for the men and women in the Canadian navy. On March 9 the minister gave us a most interesting review of his department and the Canadian navy. He detailed the part that it has played in the war up to date. All of us have a right to be proud of the facts he set out. We are proud of the most creditable showing the men and women of the Canadian navy are making. Many of these men and women knew nothing about naval affairs, but they joined this service from a sense of patriotism. The minister told us that when war broke out we had only fifteen ships and some 1,700 men, whereas to-day we have over 600 ships and 75,000 men. He told us that he hoped to get another 12,000 this year, and I have no doubt he will. I know many of the young men and women of the prairies are enlisting in this particular branch of our services.

The minister put on the record the enlistments from the different provinces. Of course Ontario had the banner position, but on the basis of population I think the prairie provinces had a splendid record. Saskatchewan is perhaps the most inland of all provinces. In parts of that province there is not enough water to cover five or ten acres to a sufficient depth to float a rowboat. Many of the boys and girls in that province did not know what a rowboat looked like or whether it was going backward or forward. I am told that when those young men and women from the prairies arrived in Halifax they showed great enthusiasm for the training and made an excellent showing. I am proud to say that some have received commissions. One young man from my own home town is a sub-lieutenant, and there are many other officers from the prairies. Many of them are in the medical services on hospital ships in the Mediterranean and in every other theatre of war where a naval vessel is to be found.

When the figures of enlistments are broken down I think it will be found that my constituency, perhaps the most inland of any in Canada, has a splendid record. I could give the details of some of those who have enlisted from my home town and tell the committee where they are to-day, but I shall not take the time. Occasionally I meet some of them on the streets of Ottawa in the morning heading toward the naval building. They are fine looking chaps and we are proud of them.

The minister's department paid my constituency a compliment by naming a cargo vessel after a historical point there. Unfortunately that vessel was lost, and I hope that another one will be named after some other

historical point. On March 9 the hon. member for Calgary West (Mr. Edwards) made an announcement. As reported on page 1339 of *Hansard,* he said:

I am particularly pleased this evening—I do not know whether the announcement has been made already, but it will be made to-morrow at the latest—that plans are completed and a contract awarded for the building of the new training ship *Tecumseh* at Calgary.

That was in his own city. I think he was a little premature in making that announcement because the minister did not confirm it, but he may be a little closer to the inner circles than some of the rest of us. I do not intend to make an announcement about anything that is going to happen in my constituency, but on the Qu'Appelle lakes there is open water which I think would be as suitable for a vessel of this type as the city of Calgary.

We have had a lot of discussion on this item. This and the other items are going to pass. In the minister's estimates there is a reduction this year of some $79,000,000, although there are increases in certain items. No doubt there is a good reason for this. We are going to support these items because we are all behind the Canadian navy. We know the part it has played and will have to play in the winning of this war. We know what was done last year and the year before in clearing our coast-line of the submarine menace. We know what has been done in seeing that our merchant ships make a safe landing. I think this is one of the most important branches of our services and it will continue to play a most important part.

In conclusion, I join with other hon. members in praise of our men and women in the navy, and with the hon. member for Regina City (Mr. McNiven), who, speaking on March 9, following the minister, put on record a statement, in more detail than I care to do to-night, with respect to enlistments from the prairies and particularly from the district which he represents and which borders on mine. I may say that my constituency extends around the city of Regina, and when he speaks of Regina he is including a number of people from my own district. I associate myself with him in expressing admiration of these young men and women from the prairies. They have played and will continue to play an important part in the war. I am sure the minister will have no trouble in getting the men he requires next year. Many of them will come from our district, but I do not want him to take all the boys from the farms; let him leave a few there, because they are needed. But he will get many from the prairies.

Mr. MacKENZIE (Neepawa): There are one or two questions I should like to ask the minister, but may I first join those who have spoken in voicing appreciation of the glowing eulogy which he has paid to the Royal Canadian Navy, and in paying just tribute to the rapid expansion and the courageous and effective record of the naval forces during the present struggle.

I also join hon. members from the prairies in paying a deserved tribute to the boys and girls from that part of the dominion. It might be thought that we on the prairies, including Manitoba, are not especially aware of Canada's navy and of its wonderful record to date in this war; and it would not be surprising, taking into account our geographical position as the central and keystone province of the dominion, if our boys were not navy-conscious. But if anyone has any doubt about whether our young people in Manitoba have answered the call of the sea during this war, he should examine the figures stated in the house by the minister on March 9, and to be found in *Hansard* at page 1309. He there gives the enlistments by provinces from September 1, 1939 to December 31, 1943. Strange as it may seem to the uninitiated, if those figures are compared and related to the population of the provinces according to the 1941 census, it will be found that the record of enlistments in the Royal Canadian Navy from Manitoba surpasses that of every other province, on a percentage basis, except Prince Edward Island and Nova Scotia.

Mr. KINLEY: There are the merchant marine recruitments in Nova Scotia and Prince Edward Island, too.

Mr. MacKENZIE (Neepawa): It is a record to be proud of, and when one considers our geographical position, so far from the eastern and western shores, it is all the more remarkable. It is true that most of our young men and women are in the air force and in the army, and it is natural that they should be. Nevertheless the province as a whole has that splendid record of navy enlistment. Quite a number have joined up from my own constituency; in fact, one of my constitutents, Lieutenant Commander Robert Philip Welland, has been awarded the Distinguished Service Cross. The citation reads: "For courage and enterprise in action against enemy submarines while serving on loan to the Royal Navy." So that the province of Manitoba is enlisting naval men not only in large numbers, but of unsurpassed brains and morale.

I wish to thank the minister for having personally looked into and corrected the matter of income tax rates for a certain class of naval officers, one of them from my constituency.

The training given boys in the navy is undoubtedly of a high order. When I was speaking the other day to a vocational training man of high standard who has conducted and observed the work of trades training in all the services, he gave it as his opinion that the navy training in trades was unsurpassed. I understand that the complete training programme is equally good.

The question I wish to leave with the minister is this. In some countries, all young men have to do a certain amount of military training. Some people in Canada are looking forward to that very thing after the war. Has the minister given any consideration to having all young men in this dominion undertake a certain amount of naval training in peace time?

Mr. RICKARD: It is not my intention to occupy more than a very few minutes with regard to this item of the naval estimates. There are, however, a few things I should like to put on record at this time.

It is a source of satisfaction to hear the high praise which has been given to the Minister of National Defence for Naval Services and the navy in general from all sections of the house. It is rather different from what we heard not so long ago, when the Canadian navy was called a tin-pot navy. The growth which has been made in the last four years is remarkable.

The Minister has put on record the number of men and of ships we have to-day as compared with the beginning of the war. The government have built a number of destroyers, corvettes and mine-sweepers, and we in the county of Durham have been fortunate in having two ships named after two of our towns, one, the mine-sweeper, *Port Hope*, and another, a corvette of a larger size called the *Bowmanville*. The mine-sweeper *Port Hope* was built in Toronto and sailed down to the harbour at Port Hope, one of the finest harbours on lake Ontario, and it was dedicated in August, 1942. At that time we had the honour of having the Minister of National Revenue and Vice-Admiral Nelles, of the department of naval affairs, at the dedication. It was my privilege to donate and hoist the ensign of that ship; and the people of Port Hope have contributed generously to the upkeep and the comfort of the sailors of that ship. I have here what is a friendly challenge to any mine-sweeper on the Atlantic by the sailors and crew of the mine-sweeper *Port Hope*, and I should like to read it into the record at this time. It is dated from an Atlantic port:

Here's a friendly challenge from a group of Canada's best-contented sailors, including some from every province in the dominion.

[Mr. F. D. MacKenzie.]

The commanding officer, officers and ratings of H.M.C.S. *Port Hope* are cheerfully defying the crew of any other Canadian minesweeper to disprove her own claim to be the "best cared for 'adopted' minesweeper in the Royal Canadian Navy."

The ship now sweeping and escorting convoys in the western Atlantic, was built at Toronto and commissioned there July 30, 1942. A sturdy sweeper of the "Bangor" class, she was adopted formally a few days later by her namesake town, the lake Ontario community of Port Hope.

Lieutenant Richard K. Lester, R.C.N.V.R., of Vancouver, commanding officer of the *Port Hope*, in an interview here said that in the intervening 18 months the "warm-hearted citizens of Port Hope" have showered the ship with so many gifts and kindnesses that "we're beginning to feel they've adopted not only our ship but each one of us, personally." He added: "We are all tremendously grateful."

Here's a random list of some of the presents sent by Port Hope to the men of the *Port Hope* to bolster their morale and to show that the town is proud of having a navy warship named after her:

An initial gift of 4,000 cigarettes, followed by more thousands month after month; eight radios, complete with batteries; electric irons, toasters and numerous other gadgets designed to make life easier ashore or afloat; bats, baseballs and various other sports equipment; sets of checkers, cribbage and many other games; a gramophone and a fine, varied stock of records; socks, leather jackets, scarves, Balaclava caps, helmets, gloves, woollen mitts, bedsheets, pillow-cases, wastepaper baskets; books by the hundred; subscriptions to several popular magazines and a constant supply of old ones; large tinted photographs of Their Majesties the King and Queen for the wardroom.

The town even sent the ship a "glorious great washing machine," said Lieutenant Lester. As a result the *Port Hope* sailors at sea now do their laundering or "dehobieing" easily, quickly, and scientifically instead of by the old-fashioned salty methods. Some of the lads, the captain reported with a grin, even compete briskly for the distinction of turning out "the whitest wash in the messdeck", reminding him of a group of tidy housewives comparing notes over their Monday clothes-lines.

Every Christmas, the Port Hope townsmen put on Santa Claus garb and send their adopted mine-sweeper a bulging Yuletide ditty-bag for every man aboard. The latest included a selection of luxurious zippered bedroom slippers.

That is characteristic of the people not only of the town of Port Hope but of the county of Durham. These gifts have been donated by many people in the surrounding district as well as in Port Hope. A ship is being named after the town of Bowmanville. It is a large corvette which is being built in Britain and which I believe will be launched in the summer. I am sure that town will do as well for the corvette they have adopted as the people of Port Hope have done for the mine-sweeper *Port Hope*.

Mr. STIRLING: Does the minister intend to reply to some of the points raised and the questions asked?

Mr. WOOD: Before the minister replies, I should like to say just a word or two. I have listened with a great deal of pleasure and pride to all hon. members who have taken part in this discussion as they have pointed to the achievements of men from their own parts of the country and the magnificent effort those men have made as members of our Canadian navy. I would be remiss if I did not call the attention of the committee to the fact that my own constituency has the honour of having produced Vice-Admiral Nelles, the man who is responsible for the splendid work our navy has done. I thought it was only within my rights, while others were emphasizing the great contribution that has been made by men from their own constituencies, that I should point out that the vice-admiral of our splendid navy comes from my own district, where he was born.

Mr. MACDONALD (Kingston City): I may answer now some of the questions that have been asked in the last few days and I shall endeavour to answer them in the order in which they were put. The hon. member for Yale (Mr. Stirling) wished to know how many men would want to retire from the navy at the end of the war. It is difficult to say at this moment how many men will wish to retire and how many men the navy may have permanently after the war. The present authorized complement of the Royal Canadian Navy, post-war, is between 8,000 and 9,000. That complement was authorized in 1941. That is the post-war complement, and various plans have been brought up by the staff at different times, suggesting other possible maxima and minima complements, but I am not able to say at this time what the post-war complement will be.

Mr. STIRLING: Since then two cruisers have been announced and two aeroplane carriers.

Mr. MACDONALD (Kingston City): Yes. I hope, as many hon. gentlemen have hoped, that the complement will be reasonably adequate for a country the size of Canada and for the duties which the Canadian navy may be called upon to perform.

My hon. friend went on to ask whether the navy would take part in the Pacific war. That question is covered by the general statement made by the Prime Minister, that we were all in the war together as united nations and would all pursue it to the end. The Canadian navy, I should think, would play a part in the war against Japan.

Mr. STIRLING: If I may interrupt for a moment, there was another question with regard to rehabilitation, whether the minister plans to have training courses, or whether they will come in under the pensions and national health training scheme.

Mr. MACDONALD (Kingston City): That was another question asked by my hon. friend, whether the navy intended to have training classes for itself alone, as I understand, or its demobilized men, I assume—

Mr. STIRLING: For those about to be demobilized and desiring training, or whether they would come under pensions and national health.

Mr. MACDONALD (Kingston City): Of course, any training of men after they are demobilized will have to come under the Department of Pensions and National Health. As to the training of men before demobilization, I think I can say to my hon. friend that at the present time practically the entire effort of the navy is directed to the winning of the war. Forty per cent of the men are at sea, and in the type of ship we have, the smaller ship, there is not a very great opportunity for these men to take any courses of an educational nature beyond, of course, such training as they may acquire in the ordinary course of their duties. When the pressure of training eases, it is our hope that we can use a certain amount of the time, of some of the men at least, in training them for the post-war period. In that step we shall cooperate with the Department of Pensions and National Health, the Canadian Legion and those other groups that are interesting themselves in the educational welfare of the men of the armed services. We also plan, when we can spare the personnel from present operational duties, to institute a programme of vocational guidance or counselling for our men. I think I said the other night that we had a directorate of demobilization and at the head of it we had a reserve officer. We thought that would be the proper branch of the service from which to select an officer for such a task, because practically all the men demobilized will be from the reserve. This officer is at present out of Ottawa, proceeding around from place to place, talking to officers and ratings, endeavouring to study their problems and bring back to us suggestions for their solution.

My hon. friend asked whether entry in the R.C.N.—that is the permanent branch of the service—was now made from the volunteer reserve division, or whether there was any direct entry into the R.C.N. I may tell him that a man can come into the R.C.N. either directly or through the volunteer reserve

division. My hon. friend then spoke about an advertisement which he had seen calling for certain types of ratings in the navy, namely, stokers and communication ratings. He wanted to know whether any others were needed. I would say to my hon. friend, yes, there are others needed, but the great need is for cooks, stewards, stokers and communication ratings. As I intimated to the house the other day, we plan to take into the navy in the next fiscal year some 12,000 personnel of all classes. That would include, of course, some ordinary seamen. Sometimes we need a certain type of rating and at other times another; and when we fill up the need we stop recruiting in that particular category. At the moment, however, cooks, stewards, communication ratings and stokers are the types of ratings we need most.

Mr. STIRLING: Are they coming forward in satisfactory numbers?

Mr. MACDONALD (Kingston City): They are coming forward in reasonably good numbers, yes. We have to advertise for some of them and the divisions are constantly on the look-out for the types of men needed.

The hon. member for Davenport (Mr. MacNicol) paid a well deserved tribute to the Navy League for its work. He paid a tribute to the founders of the league in this country, such as the late Sam Harris, Aemilius Jarvis and the present head of the navy, D. H. Gibson. With all that I agree. My hon. friend then wanted to know whether we were training Canadians to fly off aircraft carriers; that if we were to have carriers Canadians should be trained to fly off them. On that point I may say to my hon. friend that we have not yet established a branch of what is called in Britain the fleet air arm, but there are certain Canadians who are doing naval flying in Great Britain. There has been an organization in Halifax known as H.M.S. *Canada* which did some recruiting of Canadians for the fleet air arm of the Royal Navy. Some seventy-six Canadians have gone into the Royal Naval Fleet Air Arm through H.M.S. *Canada*. There is also another way of getting into the fleet air arm, and that is by an arrangement under which we have agreed to lend to them a limited number of R.C.N.V.R. officers for training and employment in air duties. We have agreed to give them thirty-two pilots, twenty-five observers and fifteen air engineer officers. These officers are already in the Canadian naval service or they will be taken into the service of the Canadian navy and then lent to the Royal Navy.

[Mr. A. L. Macdonald.]

Mr. MacNICOL: Before the minister leaves the fleet air arm possibilities, may I ask a question?

Mr. MACDONALD (Kingston City): Yes.

Mr. MacNICOL: The minister stated that some seventy-six young Canadians are being trained for the fleet air arm of the Royal Navy. At the present time some are being trained in the United States.

Mr. MACDONALD (Kingston City): No doubt, yes.

Mr. MacNICOL: Where are they going after they are trained?

Mr. MACDONALD (Kingston City): They would go back to the Royal Navy.

Mr. MacNICOL: If, later on, Canada finds it necessary to have aircraft carriers is it possible that those young Canadians will be brought back?

Mr. MACDONALD (Kingston City): I would hope that that might take place, yes.

Mr. MacNICOL: While they are in the Royal Navy, are they paid according to the Royal Navy standard, or is their pay supplemented by the difference between the Canadian rate and the British rate?

Mr. MACDONALD (Kingston City): As to those men who enter the Canadian navy and are then lent to the British navy, they would continue at the Canadian rate of pay, but I should assume that a man who joined the British navy directly, without going through the Canadian navy, would receive the British rate of pay just the same as a Canadian who went over to England before the war and joined the Royal Air Force. He is a member of the Royal Air Force and would get Royal Air Force pay.

Mr. MacNICOL: When I asked the question before, I understood that the minister answered it by saying that they would be taken care of in every way, the same as if they had joined the Canadian service. Apparently that is not the case.

Mr. MACDONALD (Kingston City): Those who joined the Royal Navy directly from here without passing through the Canadian navy would not be under our control. We would have no control over them, and I should assume that they would get—I shall look into the matter and make sure of it by to-morrow—Royal Navy rates of pay.

Mr. MacNICOL: I am informed that the pay is much smaller than if they were in the Canadian navy; but with regard to the seventy-six mentioned by the minister, may I

say they were all young lads, mostly university students. What I cannot get into my head is how they got into the fleet air arm department. I do not know whether they tried to enlist in Canada; but I believe they were all too young; at least I know some of them were too young to be admitted into the Canadian navy. In some way or other, however, they were enlisted into the Royal Air Force. How did that happen?

Mr. MACDONALD (Kingston City): There are, as the Minister for Air said in his speech several times, a good many Canadians in the Royal Air Force, Canadians who went directly into the Royal Air Force. Some of them went over before the war; some of them went over shortly after the war and joined the Royal Air Force directly. They stand in exactly the same position as a native of Britain would stand in that air force, I should think. They would be paid the British rates of pay. The same thing applies to those in the fleet air arm. If a Canadian, of his own accord, went to England and joined that branch of the service, without ever going through the Canadian navy, I think he would receive the British rate of pay, because we would have no control or jurisdiction over that person.

Mr. MacNICOL: As I understand it, these young lads did not go to England to join the fleet air arm; somebody, either from England or representing the British Government in Canada, enlisted these young men directly out of university schools just a year ago, two or three years after the war broke out.

Mr. MACDONALD (Kingston City): If they enlisted directly from Canada they never passed through Canadian hands at all, so that I should think it would be very difficult for us to try to follow them and give them Canadian rates of pay. To begin with, we would not know who they were; we would have no record of them.

Mr. MacNICOL: I am trying to find out by what method someone from Great Britain, or someone in Canada representing Great Britain, got these young lads out of the university schools.

Mr. MACDONALD (Kingston City): I am afraid I am not making myself very clear, but this is the memorandum I have here. In the early days of the war, before the United States entered it, Admiral Bonham-Carter looked after the entry of Canadians who wanted to join the Royal Navy Fleet Air Arm. That was the beginning of the arrangement under which Canadians joined that branch of the service. It is estimated that some seventy-six Canadians have entered the Royal Navy for air duties. These men who joined the fleet air arm of the Royal Navy directly from civilian life would, I should think, have to accept the ordinary pay and other arrangements of the service which they joined. I do not think there is any question about that. I may tell my hon. friend, however, that some of those officers and ratings who joined the Royal Naval Air Service have since expressed a desire to transfer to the Royal Canadian Navy, and in some cases that has been done; they have come back and attached themselves to the Canadian navy. If, however, they have not done that, they will have to take British rates of pay, having joined a British service directly.

Mr. MacNICOL: I appreciate very much the courtesy of the minister, but the matter still is not clear in my mind. The minister speaks of a time prior to that which I have in mind. The young lads to whom I refer were taken into the fleet air arm within the last year or thereabouts. A number of them were attending schools in Toronto and elsewhere, and I am trying to find out how some authorities outside Canada could come into this country in 1943 and enlist these young men from our universities. Undoubtedly these lads wanted to join the fleet air arm, but I should like to know how it happened that they were taken right from under our very noses, one might say, and enlisted in the fleet air arm. Perhaps they might have been enlisted in our own air force.

Mr. MACDONALD (Kingston City): As my hon. friend knows, in addition to this group of men to whom I have referred, some two thousand Canadian officers and ratings are serving with the British navy on loan at the present time, so that it is not unusual for our people to find their way into the British navy. There was a period, though I am not sure just how long it lasted, in the early days of the war when the British wanted us to enlist certain types of young men for them; skilled radio men, for instance. Young men with a high degree of scientific skill and training in our universities were very much sought after by the British, and we allowed a certain number of them to be enlisted in that way in order to help the British meet the great problems facing them at that time. If my hon. friend would give me the dates he has in mind, the last dates on which this enlisting took place, I would be able to tell more definitely, but the total number involved, according to my figures, is only seventy-six who have gone in this way since the beginning.

Mr. MacNICOL: Into the fleet air arm?

Mr. MACDONALD (Kingston City): Yes, directly into the fleet air arm.

Mr. MacNICOL: Does that include the number who were enlisted last year?

Mr. MACDONALD (Kingston City): That is the number given me up to date. In addition, as I told my hon. friend, some others have gone in from the Canadian navy. We have a full record of those men; we know who they are and we know the number we are to furnish. We are to supply some seventy-two in all. They pass through our own divisions and establishments, and we know all about them.

Mr. MacNICOL: I shall obtain more particulars and give the minister the information. Then he may be able to tell me what I am trying to find out, for I am afraid I have not secured the information in what I have been told so far.

Mr. MACDONALD (Kingston City): Very well.

Mr. TUSTIN: Are these young men who are enlisted in the fleet air arm trained in Canada or sent to England for training? I believe a number of these men are being trained in this country, though I am not sure whether they are Canadian or English boys.

Mr. MACDONALD (Kingston City): I think there is some preliminary training done here for the fleet air arm. Kingston is one place where it is carried on, I think, and Aylmer is another; but the advanced training would have to be done outside Canada, some in England and some in the United States.

Mr. TUSTIN: Then any Canadian boys who enlist in the fleet air arm would be partly trained in Canada before leaving?

Mr. MACDONALD (Kingston City): Yes, they may be trained here; it would depend upon where the British would want to send them. Probably most of them would be trained here.

Mr. GREEN: Would the minister explain why Canada is not acquiring the two aircraft carriers, just as she is acquiring the two cruisers? Apparently we are merely manning the two aircraft carriers, and the ships and planes will still belong to Great Britain, while the pilots who fly those planes are to come from Great Britain, according to the minister's statement of March 9. Would he explain why we are not acquiring the ships and why we cannot man them completely?

Mr. MACDONALD (Kingston City): The question of acquiring the ships is bound up with the whole question of lend-lease. That is a complicated and intricate business which would take a long time to explain. That is why we have not acquired the ships outright. The cruisers we are acquiring are British ships, built in Great Britain and controlled by the admiralty. They can do what they wish with them, but the aircraft carriers in question are not in that position. They were built in the United States and acquired by Great Britain, and then they were turned over to us. As I say, it is a matter in which the three countries are involved, and at the time this seemed to be the only arrangement we could make. However, the matter is still under consideration and it is possible that some change may yet be made in that arrangement.

Mr. GREEN: Is it hoped that eventually Canada will acquire the two aircraft carriers?

Mr. MACDONALD (Kingston City): I would hope that we might, but, as I say, we cannot acquire them without the consent of the other parties to the bargain; we have to secure that first.

Mr. GREEN: Why can we not supply the pilots?

Mr. MACDONALD (Kingston City): I do not think we have enough Canadian pilots to operate those two carriers. We might, by scouring the whole British fleet air arm, get enough. But I hope that some of the pilots which the British will put on those ships will be Canadians serving with that branch who, I am sure, would be glad to serve alongside Canadian naval officers.

The hon. member for Vancouver North (Mr. Sinclair) raised a question about the acoustic torpedo, and recent developments in German methods of attack. He praised the admiralty for the speed with which they had instituted counter measures against the acoustic torpedo. May I tell the committee that the Canadian navy has a scientific research branch which has been most active in this very field, and which had anticipated and had begun studies before the attacks were made by the acoustic torpedo. Although this is the sort of subject which one cannot discuss in complete detail, I think I can say that the information given by our scientists to the admiralty was of considerable value in the establishment of these counter measures. I might say, too, that immediately the attack by the acoustic torpedo was made, an officer was flown from Canada to England to ensure that there would be a complete interchange of information between our department here and the admiralty. The result of this cooperation has been highly gratifying.

The hon. member for Peterborough West (Mr. Fraser) asked if we were going to build carriers in this country for our navy. The answer to that is that there is no intention at the present time of doing so.

The leader of the opposition (Mr. Graydon) raised the question as to why the pay for women in the services was not equal to the pay for men, and ventured the hope that I would be able to be more generous than my colleagues in the two other services had been. The arrangements in the services are the same, namely the basic pay of women is eighty per cent of that of men. But the trades pay is the same. In the United States I understand the basic pay for women is exactly the same, while in Great Britain I believe it is two-thirds of that received by the men. So that we are in between the American and British systems.

My hon. friend wants to know why there is not equal pay for women. I do not know whether my colleagues have given these reasons, but the chief reason assigned for the difference in pay is that normally women are not employed in active combatant positions, nor are they trained for combat. In the strict sense, therefore, women cannot be said completely to replace fighting men.

Mr. GRAYDON: But of course there are some men who are not fighting men.

Mr. MACDONALD (Kingston City): That is true, and that is the argument made against what I have said. But the point is that every man is liable to go on active service. Even such men as paymasters, while employed at one point in one week, may in the next week be aboard ships on active service. The same applies to doctors, special branch officers and so on. Everyone is on active service and liable to be placed in a zone of danger. It would be difficult to divide the men to a point where we could say that one man is combatant and another is not. I am giving the reasons which have been given to me.

Mr. GRAYDON: I imagine the minister is like me in that respect; probably he is pretty hard to convince.

Mr. MACDONALD (Kingston City): It might have been simpler from the beginning to have given them all the same rate of pay.

Mr. GRAYDON: I think they should have it, really.

Mr. MACDONALD (Kingston City): But there it stands, in that position. I do not wholly defend the discrimination against women, because there are many women working for us in clerical positions, women doing the work of coders, cipherers, signallers, and the like, who are certainly doing their work just as well as it would be done by men. They are quite equal to men, and it is a hardship on them that they do not receive the same pay as do men working opposite them.

Mr. GRAYDON: Has there been a conference between the army, air force and navy officials respecting this matter? I think I see a more sympathetic glint in the minister's eye than I found in the case of the two other ministers who have charge of the other defence departments.

Mr. MACDONALD (Kingston City): Perhaps just a touch of chivalry.

Mr. GRAYDON: Perhaps through his good offices he might persuade the other two. I believe I can see much more sympathy in the minister's atitude than I have seen thus far in the debate. My suggestion would be that when we have got this far perhaps we might go a little farther.

Mr. MACDONALD (Kingston City): That is a matter which would have to be settled by the three services. I would not, and neither would my colleagues, think of adopting a different scale of pay from that in the other services. But the matter has been considered at great length. We began, I believe, at the British rate of two-thirds, and we raised it to four-fifths. With good luck and generous hearts it might be that we would go even a little farther. But I cannot assure my hon. friend, still less members of the women's services, that that would happen. However, some progress has been made in the past, and it may be that more can be made in the future.

Mr. GRAYDON: I understand the door is not definitely closed, then.

Mr. MACDONALD (Kingston City): Where I am concerned, the door is never closed. All these matters can be reconsidered.

The hon. member for St. Paul's (Mr. Ross), inquired whether the ship *Toronto* had been commissioned. The answer is that that good ship is not yet in commission, but that she will be this year.

Mr. PERLEY: Since speaking about an hour ago I have been informed by the hon. member for Yale that an announcement was made to-day to the effect that a ship has been named the *Qu'Appelle*. I refrained from speaking at length when I spoke before, but I wonder if the minister would inform the committee as to the type of ship, and the reason for naming it thus? I believe the announcement was made in the radio news at one o'clock.

Mr. MACDONALD (Kingston City): My hon. friend referred to the *Fort Qu'Appelle*, which was sunk?

Mr. PERLEY: Yes.

Mr. MACDONALD (Kingston City): I shall give an answer before the committee rises, and shall ascertain that there is no confusion between names.

The hon. member for St. Paul's asked about Canadians serving with the Royal Navy and inquired whether they would receive pensions at Canadian rates. The Pension Act provides in effect that where the British act does not meet the case, full pensions will be paid by Canada. What we do is to make up the difference between the British rate of pension and the Canadian rate.

Mr. ROSS (St. Paul's): Is it proposed to have the service chevrons now used by the army adopted by the navy as well?

Mr. MACDONALD (Kingston City): I believe the regulation applies to all three services. I do not know that the navy was greatly in favour of the business, but they are entitled to wear chevrons.

The junior member for Halifax (Mr. Macdonald) raised the question about the role the Canadian navy would play in peace and what strength the navy would be. I believe I answered his questions when dealing with certain matters raised by the hon. member for Yale.

The hon. member then went on to ask whether destroyers would be built in Halifax and expressed the hope that this would be done after the war. Of course these post-war plans and projects are difficult to assess with accuracy at this time, but I can say that if there is to be a Canadian navy in the post-war period, there should be destroyers. I think the destroyer is the heart of the navy; whatever other type of ship you have or have not, you must have destroyers. I think they should be built in this country. There has been some criticism of the cost of building these destroyers in Halifax. Undoubtedly it has been greater than the cost in Great Britain, but these were the first two to be built in Canada and then Canada's wage rates are somewhat higher than those of Great Britain. However, I do not think we could ever hope to develop a navy in this country unless we resorted to our own shipbuilding facilities for at least the greater number of the ships in that navy. I should think that destroyers will be built in Canada as long as there is a Canadian navy. Halifax seems to be the logical place for the building of destroyers. They have to put in there for repairs and refits, and in the winter months many other ports are denied to them. It seems to have the proper combination of building and repair facilities.

The hon. member made some inquiry about the transfer of naval personnel to the former air force barracks at Halifax. I am able to tell him that the transfer is proceeding and it has been found to be very helpful. I understand some 2,000 naval personnel have been transferred and this will help to relieve congestion in the city. My hon. friend wanted to know if we contemplated any additional building in Halifax. In the past, building in Halifax has been difficult on account of the great shortage of labour, and at the moment we have not in contemplation the building of any new barracks. Undoubtedly restaurant and recreation facilities are greatly needed, and I shall be glad to do anything I can to assist or to strengthen the hands of the auxiliary services and those others who are interested in the matter.

The hon. member for Qu'Appelle (Mr. Perley) referred to the freighter which unfortunately was lost, but I am glad to be able to say to him that there is a fine destroyer called the *Qu'Appelle* which we have acquired from the British navy.

Mr. FRASER (Peterborough West): I asked about the naval disposal committee.

Mr. MACDONALD (Kingston City): My hon. friend's question was about the arrangements made for salvage and disposal.

Mr. FRASER (Peterborough West): I wanted more details about naval order 3444. I wished to know whether tenders were called for.

Mr. MACDONALD (Kingston City): There is at naval headquarters a disposal committee, of which one of the officers of the stores branch is the chairman. At each base there is a sub-committee which deals with the question of salvage and disposal and which reports to the headquarters committee. My hon. friend wanted to know why they had to refer matters to headquarters.

Mr. FRASER (Peterborough West): I wanted to know if tenders were called for in connection with the disposal of these goods, and I should also like to know just what is disposed of. Would this not come under the new disposal committee set up under munitions and supply?

Mr. MACDONALD (Kingston City): It does. The fact is that the naval services disposal committee authorized by naval order 3444 is a collecting body to determine what assets are surplus to our requirements. The chairman of that committee is the deputy chief of naval equipment and supply, Mr. L. C. Thompson, who was formerly manager of

stores, Canadian National Railways. This committee is made up of representatives of all the branches which have anything to do with buildings or properties or ships or naval ordnance or stores of any description. At each base there is a small counterpart set up. The naval services disposal committee is not empowered to effect any sale of surplus assets; this must be done by the committee under the jurisdiction of the Department of Munitions and Supply. The committee of which Mr. Thompson is chairman reports any surplus through the deputy minister to the crown assets allocation committee, after having first offered the surplus to the army and air force. It often happens that a thing which is surplus with us is needed by the other services. Similarly, the local committees of other places have no power to dispose of surplus assets by tender or otherwise.

Mr. FRASER (Peterborough West): I should like to ask a few more questions.

Mr. MACDONALD (Kingston City): On the next sitting day.

Progress reported.

At eleven o'clock the house adjourned until Thursday at 3 o'clock p.m., pursuant to special order made Monday, February 21, 1944.

Thursday, March 16, 1944

The house met at three o'clock.

PRIVILEGE

MR. POULIOT—ARTICLE IN VANCOUVER "SUN" OF MARCH 8

Mr. JEAN-FRANÇOIS POULIOT (Témiscouata): I rise to a question of privilege arising out of an article published on the front page of the Vancouver *Sun* of Wednesday, March 8. The article reads:

Government May Get Rid of "Vocalamity".

That is a new word. I pronounce it differently from the way in which it is spelled because it sounds so bad when it is correctly pronounced.

Mr. HOMUTH: Will the hon. member speak louder? We cannot hear him at all.

Mr. POULIOT: Thank you. I continue with the quotation:

From the Vancouver *Sun* Ottawa Bureau.

Ottawa, March 8—Amid all the talk about parliamentary reform, a major step in that direction is being considered very quietly in Ottawa. The step is naming Jean François Pouliot, the too-talkative member from Témiscouata, to the Board of Transport Commissioners.

While observers say it would be a surprising appointment, the price might not be too great to pay for the ending of his lengthy speeches—

By the way, Mr. Speaker, I did not address the house since Thursday of last week.

—his bitter attacks on Defence Minister Ralston, and his criticisms of war expenditures.

He isn't just too talkative, he's "a vocalamity."

Accompanying the article is a picture of the person about whom it is written. Now, sir, may I make a brief answer. It is this. The writer of this article wants to cut the grass under the feet of the official press reporter of the senate. He wants to get the job of Tom Green in the senate. He is a nasty little fellow. For the rest, the article is perfectly untrue.

INTERNATIONAL AGREEMENTS

AUSTRALIA-NEW ZEALAND, 1944—AVAILABILITY OF COPIES TO MEMBERS

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I have a few announcements to make to the house. First of all may I say that the Australia-New Zealand agreement of 1944, which the hon. member for Vancouver South (Mr. Green) asked to have printed, has now been printed and copies are available in the library or they may be obtained from the Clerk of the House.

I should like to commend this document to the hon. members as an illuminating example of the flexible and effective methods of cooperation between countries of the British commonwealth.

EMBASSIES

EXCHANGE OF DIPLOMATIC MISSIONS WITH MEXICO

Right Hon. W. L. MACKENZIE KING (Prime Minister): As hon. members are aware, the government of Canada and the government of Mexico have agreed to exchange diplomatic missions. I have pleasure in informing the house that the Hon. W. F. A. Turgeon has been appointed the first Canadian Ambassador to Mexico.

Mr. Turgeon's career is well known, but I should like to place on *Hansard* the following points of interest: Mr. Turgeon only recently returned from Buenos Aires. He was appointed first Canadian Minister to Argentina and Chile in September, 1941. Prior to that time he had a long career at the bar and on the bench culminating in his appointment as Chief Justice of Saskatchewan. Before going to the bench Mr. Turgeon was a member of the legislature of Saskatchewan and Attorney

General of that province. He has also served with distinction on royal commissions regarding the grain trade and the textile industry.

It is my understanding that the Mexican government are to-day announcing the appointment of Doctor Francisco Del Rio Canedo as Mexican Ambassador to Canada. Doctor Del Rio's diplomatic career has also included the posts of Mexican Minister in Uruguay, and Mexican Ambassador in Guatemala.

Mr. GRAYDON: Will the Prime Minister give the house such information as he possesses with respect to the replacement of the Hon. Mr. Turgeon as minister to Argentina?

Mr. MACKENZIE KING: I may say to my hon. friend that the government does not contemplate making an immediate appointment of a successor of Mr. Turgeon in the Argentine. The Charge d'Affaires, Mr. Kirkwood, is in charge of the office at the present time.

MINISTER OF FINANCE

ANNOUNCEMENT AS TO ABSENCE FOR PURPOSES OF REST

Right Hon. W. L. MACKENZIE KING (Prime Minister): I should like to mention to hon. members that on Sunday evening last the hon. Minister of Finance (Mr. Ilsley) left for Washington where he has been during the last few days taking up matters of financial relations between the two countries with Mr. Morgenthau, the United States Secretary of the Treasury. I am glad to be able to say that I have been able to persuade the Minister of Finance to take a very much needed rest. It has been with the greatest difficulty that he has agreed to remain away from his official duties for a few weeks. I am sure that the house will share the feelings I have just expressed at the Minister of Finance having at last agreed to take this very much needed rest. No minister of the crown, I believe, has ever given himself more completely to the duties of his office or has had more difficult problems to contend with than has the Minister of Finance since the beginning of the war. I would express the hope that he may come back very much reinvigorated by the short absence that he will have. My colleague, the Minister of Defence (Mr. Ralston) is the acting minister of finance in the absence of the minister.

WAR LABOUR BOARDS

ANNOUNCEMENT OF RESIGNATION OF CHAIRMAN OF NATIONAL WAR LABOUR BOARD

Right Hon. W. L. MACKENZIE KING (Prime Minister): I wish to announce to hon. members that the Hon. Mr. Justice McTague has tendered his resignation as chairman of the national war labour board and the government has felt obliged, in the circumstances which have had to be considered, regretfully to accept Mr. McTague's resignation.

I should like to read the letters which have been exchanged between Mr. McTague and myself. I shall read first Mr. Justice McTague's letter to me:

Canada
National War Labour Board

Ottawa,
March 8, 1944.

The Right Honourable W. L. Mackenzie King, P.C.,
Prime Minister of Canada,
Ottawa, Ontario.

Dear Mr. Prime Minister:

As I advised you in our conference of two weeks ago, I have made up my mind to resign as chairman of the national war labour board. I have consulted the Minister of Labour and now ask you to accept the resignation as of March 17.

May I say, so that there will be no misunderstanding, my decision is not based on any differences with the government nor with the Minister of Labour personally. While the new wages order and the new labour code are perhaps not as I would personally devise them, I recognize the government's responsibility for them. As an administrator it is no function of mine to criticize. As a matter of fact I think the new code represents a milestone in labour relations and an excellent start. No doubt with experience amendments will prove necessary in both orders. That is to be expected in the natural course of things.

As I explained to you in conversation, I feel that what I set out to do on your invitation is completed to a point where someone else can now take over with a degree of confidence. The past year has been a particularly arduous one for me and I am rather tired. Besides I feel that I have been away from law too long. As you know I have spent more than three and one-half years in Ottawa on the work of the war contracts depreciation board and the national war labour board.

May I thank you personally and the other ministers for the manner in which you have all cooperated with me in my work. If some of my public statements have proved embarrassing at times I am sorry but I still think I must have been right.

Sincerely yours,
C. P. McTague.

My reply to Mr. Justice McTague is as follows: It was written to-day.

Office of the Prime Minister

Ottawa, 16th March, 1944.

Hon. C. P. McTague,
Chairman, National War Labour Board,
Ottawa.

My dear Mr. Justice McTague:

I duly received your letter of the 8th of March, and have delayed its acknowledgment

until to-day in the hope that you might find it possible to reconsider your decision and to continue as chairman of the board for at least a few months longer. From my conversations with you I understand fully the circumstances which have prompted your action, and which cause you to feel that you must adhere to the decision you had practically reached some little time before your letter was written. I have to-day communicated the contents of your letter to my colleagues in the cabinet. It is with regret that the government feels it should accede to your request and accept your resignation as chairman of the national war labour board.

I should like to take this opportunity to express anew the appreciation felt by the government of the signal service you have rendered to Canada's war effort in your capacity as chairman of the national war labour board throughout a very difficult year in the life of the board; also of the services you had previously rendered over a period of two and one-half years on the war contracts depreciation board.

I should like to add a word of warm personal appreciation of the uniformly helpful and cordial relations which we have enjoyed during the whole of the period you have served as chairman of the board, and of your readiness throughout that time to be of such assistance to the government as lay within your power.

In the light of the strenuous nature of your duties I can well understand your present feelings of fatigue. I hope that being relieved of some of the pressure under which you have been working, you may speedily regain the resiliency of mind and spirit which in the past you have greatly enjoyed.

With kindest personal regards,

Yours sincerely,

W. L. Mackenzie King.

Mr. MacINNIS: Has a successor to the Hon. Mr. Justice McTague been appointed, and, if not, will the functions of the board be continued in the meantime?

Mr. MACKENZIE KING: The successor will be announced as soon as he is appointed. I do not contemplate that there will be a delay of any length of time in the appointment of a successor. In the meantime the board will continue to function.

WARTIME LABOUR RELATIONS BOARD—APPOINTMENT AND PERSONNEL

Hon. HUMPHREY MITCHELL (Minister of Labour): I wish to announce that His Excellency the Governor in Council to-day approved of P.C. 1895, establishing the war-time labour relations board for the purpose of administering the war-time labour relations regulations provided by P.C. 1003 of February 17 last. Mr. Justice G. B. O'Connor of the trials division of the Supreme Court of Alberta has been appointed chairman, and Mr. Justice J. N. Francoeur, of the Court of King's Bench of Quebec, vice-chairman.

The other members of the board are: Representing the employers, Mr. Harry Taylor, Toronto; Mr. W. H. Brown, Toronto; Mr. A. Deschamps, Montreal, and Mr. A. J. Hills, Montreal. Representing employees are Mr. A. R. Mosher, Ottawa; Mr. W. L. Best, Ottawa; Mr. Fred Molineux, Hamilton, and Mr. R. Harmegnies, St. Joseph d'Alma, Quebec. The representatives of the employers were selected after consultation with the Canadian Manufacturers Association, the Canadian Chamber of Commerce, the Canadian Construction Association, and the Railway Association of Canada. Mr. Taylor represents the manufacturers' association, Mr. Brown the chamber of commerce, Mr. Deschamps the construction association and Mr. Hills the railway association. The gentlemen representing labour were appointed after consultation with the four major labour organizations in Canada. Mr. Mosher represents the Canadian Congress of Labour; Mr. Molineux the Trades and Labour Congress of Canada; Mr. Best the railroad brotherhoods, and Mr. Harmegnies the Canadian and Catholic Confederation of Labour. The members of this new board will meet shortly to organize and set up the machinery for the carrying out of their important work, which I sincerely feel will contribute in substantial measure to the creation of good relations between employers and employees in the Dominion of Canada.

I now table a copy of the order in council in question.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

DEPARTMENT OF AGRICULTURE—ALBERTA EMPLOYEES

Mr. BLACKMORE:

How many employees in Alberta are on the payroll of the Department of Agriculture at Ottawa?

Mr. GARDINER: 381 full-time employees; 27 part-time employees.

HALIFAX FREIGHT HANDLERS POOL—STAFF HOUSES

Mr. ISNOR:

1. How many staff houses were constructed by the Department of Transport in Halifax, Nova Scotia, to accommodate men employed in the so-called freight handlers pool?
2. What was the total cost of construction and furnishing of same?
3. How many will each house accommodate?
4. How many men were registered and actually occupying rooms as on December 31, 1943?
5. What rental and board per man per day is charged?
6. What has been the total cost of construction, furnishing and maintenance from date of erection to December 31, 1943?
7. What has been the total revenue for rental and board to December 31, 1943?

Mr. MICHAUD:

1. Five bunk houses, 1 dining hall, 1 hiring hall for longshoremen. The units are provided for the joint occupation of C.N.R. freight handlers and men of the longshoremen's reserve pool.

2. Total cost not yet available. Amount to date is $310,472.53. Estimated final cost is $328,939.12.

3. Bunk houses 1, 3 and 4 accommodate 144 men each; bunk houses 2 and 5 each accommodate 160 men—total 752 men.

4. On December 31 there were 405 men registered and occupying rooms. This was during the holiday period. The week prior to this there was an average of 546 men.

5. No rental charge. Boarding rate is $1.25 per man per day, which is deducted from the men's wages and paid to the boarding contractor.

6. Total cost of construction and furnishing to December 31, 1943 was $293,930.62; maintenance $1,247.62; heat $1,174.14; light $1,317.53; watchman service $2,227.17; janitor service $1,216.44, total $301,113.52.

7. No revenue to government. See answer to question 5.

PRAIRIE FARM ASSISTANCE—REVENUE AND BONUSES—ADMINISTRATION COSTS

Mr. DOUGLAS (Weyburn):

1. What were the total proceeds from the one per cent levy collected under the Prairie Farm Assistance Act from, (a) the 1941 crop; (b) the 1942 crop; (c) the 1943 crop?

2. What was the total amount paid out in bonuses during each of the above crop years in the provinces of Manitoba, Saskatchewan and Alberta respectively?

3. What was the total amount spent for administration in each of the above crop years and in each of the above named provinces?

Mr. GARDINER:

1. (a) $1,459,482; (b) $2,728,753.03; (c) $1,827,862.85 (to January 31, 1944).

2. 1941-42 Crop Year—August 1, 1941, to July 31, 1942

Province	1940 Programme	1941 Programme	1943 Programme
Alberta	$26,005 36	$ 2,994,561 82	
Saskatchewan	31,514 74	11,682,893 00	
Manitoba	1,920 80	36,324 94	

1942-43 Crop Year—August 1, 1942, to July 31, 1943

Province	1940 Programme	1941 Programme	1943 Programme
Alberta	$ 772 59	$ 476,982 18	
Saskatchewan	nil	316,830 00	
Manitoba	nil	1,365 20	

1943-44 Crop Year—August 1, 1943, to January 21, 1944

Province	1940 Programme	1941 Programme	1943 Programme
Alberta	nil	$ 4,567 78	$ 943,282 35
Saskatchewan	nil	4,551 00	1,946,155 69
Manitoba	nil	nil	nil

3.

Province	1941	1942	1943
Manitoba	$ 15,189 57	$ 5,592 69	$ 4,883 17
Saskatchewan	353,437 70	89,149 98	138,821 71
Alberta	104,197 89	26,816 51	46,244 49

PERMITS TO PURCHASE TIRES—SASKATCHEWAN

Mr. DOUGLAS (Weyburn):

What are the names, addresses and occupation of all persons in the province of Saskatchewan who, up until December 31, 1943, were granted permits to purchase tires for passenger cars?

Mr. CHEVRIER: The number of permits issued for passenger car tires and tubes in the province of Saskatchewan from the inception of rationing (May 15, 1942) to December 31, 1943, was 48,644.

It is the policy of the department not to give names, addresses, occupation, etc., of citizens or firms granted or refused permits.

CANADIANS OR BRITISH IN CANADA SUBJECT TO UNITED STATES MILITARY LAW

Mr. DIEFENBAKER:

1. Are Canadians or British subjects in any part of Canada subject in whole or in part to United States military law?
2. If so, where, and under what circumstances?

Mr. ST. LAURENT:

1. Yes.
2. Anywhere in Canada if they are members of the armed forces of the United States and are stationed or on military duty in Canada.

POSTAL SERVICE—USE OF FOREIGN POSTAGE

Mr. DIEFENBAKER:

1. Are there any post offices located in Canada where foreign postage is accepted for the transmission of letters?
2. If so, how many?
3. What are the particulars of the arrangements under which this course is made possible?

Mr. MULOCK: There are no Canadian post offices at which mail would be accepted prepaid with foreign postage.

At certain centres the United States army provide postal facilities for their personnel, and carriage of the mail is furnished entirely by United States army facilities in accordance with their requirements.

It is not considered in the public interest to disclose the location of these centres.

*BOARDS AND COMMISSIONS

Mr. FRASER (Peterborough West):

1. How many boards, commissions and/or bureaus, appointed under federal government authority, are now in existence, and what is the name designate of each?
2. How many persons are employed by each such board, commission and/or bureau?

Mr. McLARTY: A return passed on the motion of the hon. member for Kootenay West (Mr. Esling) on February 16 was tabled to-day. The information asked in that order was almost identical with the questions which have been asked by the hon. member for Peterborough West (Mr. Fraser). I wonder if the hon. member would be kind enough to drop this question and look at the information in the return which has been given. Perhaps after that, if he desires any further information, he might put his question on the order paper again.

Mr. FRASER (Peterborough West): Could we not let the question stand for the time being?

Mr. McLARTY: The questions were identical, and I am quite sure the hon. member will be content to drop his question, subject to the understanding that if he requires further information which is not contained in that return they might be placed on the order paper again.

Mr. FRASER (Peterborough West): In the same terms—very well, under those circumstances.

Mr. SPEAKER: Dropped.

RESERVE ARMY—TOTAL COST

Mr. WHITE:

What has been the total cost of the reserve army, by districts, in each of the years 1940, 1941, 1942 and 1943?

Mr. MACDONALD (Halifax):

Estimated cost of the Reserve Army by Districts for 1940-41, 1941-42, 1942-43 and 1943-44

Military Districts	1940-41	1941-42	1942-43	1943-44
No. 1	$1,224,863	$1,174,257	$1,215,204	$1,162,013
No. 2	2,741,366	2,628,102	2,719,751	2,600,697
No. 3	1,283,190	1,230,174	1,273,071	1,217,347
No. 4	2,158,093	2,068,929	2,141,075	2,047,357
No. 5	1,151,955	1,104,360	1,142,871	1,092,846
No. 6	1,239,445	1,188,236	2,229,671	1,175,847
No. 7	816,575	782,838	810,136	774,675
No. 10	1,020,719	978,547	1,012,670	968,344
Pacific Comd.	1,210,281	1,160,277	1,200,738	1,148,184
No. 12	860,320	824,775	853,536	816,176
No. 13	874,902	838,755	868,003	830,009
Total	$14,581,710	$13,979,250	$14,466,726	$13,833,495

Note.—The above estimate of costs have taken the following into account: Pay and allowances; travel, transportation and freight; construction and repairs; operating expenses of properties; clothing and necessaries; personal equipment; barrack, camp and miscellaneous equipment; supplies—food, forage, etc.; medical stores and services; dental stores and services; signal and wireless equipment, ammunition, armament stores, MT vehicles and tanks; operating costs of mechanical and water transport; printing and stationery, sundries.

With the exception of pay and allowances, and travel and transportation wherein actual expenditures were recorded, the various objects of expenditure above described were estimated

for the strength (in man-years where applicable) of the reserve army; and then broken down by districts in accordance with the relative district strengths, in each of the years under consideration.

PRAIRIE FARM ASSISTANCE—DUGOUTS—MANITOBA

Mr. MATTHEWS:

In what municipalities in Manitoba have dugouts been completed under the P.F.R.A., and how many in each municipality?

Mr. GARDINER:

Municipality—	Question 1 Question 2
Archie	142
Albert	241
Arthur	96
Argyle	1
Assiniboia	2
Birtle	17
Blanshard	44
Brenda	172
Cameron	127
Cartier	26
Charleswood	2
Daly	44
Dufferin	238
DeSalaberry	63
Edward	150
Ellice	8
Elton	57
Franklin	187
Glenella	21
Grey	202
Glenwood	30
Harrison	11
Hamiota	2
Lansdowne	100
Lakeview	25
Langford	42
Lorne	7
Louise	2
Minto	20
Miniota	1
Morton	63
Macdonald	312
Morris	414
McCreary	10
Montcalm	236
North Norfolk	93
Odanah	127
Oakland	2
Pipestone	227
Portage la Prairie	198
Pembina	14
Russell	1
Riverside	60
Rosedale	32
Roland	133
Roblin	2
Richot	14
Rhineland	697
Shellmouth	1
Silver Creek	1
Shoal Lake	1
Saskatchewan	140
South Cypress	1
South Norfolk	27
Strathcona	1
Stanley	115
St. Francois Xavier	3
Springfield	1
Turtle Mountain	20
Thompson	106
Wallace	198
Woodworth	33
Whitehead	47
Whitewater	2
Winchester	81
Westbourne	236
Town of Emerson	6

GOVERNMENT EMPLOYEES COMPENSATION ACT—DR. AIME CHARTIER

Mr. DIEFENBAKER:

1. Is Dr. Aime Chartier, of Montreal, employed in connection with the work of the Government Employees' Compensation Act? If so, how much was paid to him for all services connected therewith, (a) for the year 1943; (b) for the year 1944 to date?

2. Have any accounts been rendered by Dr. Chartier which are as yet unpaid? If so, what is the total amount thereof for the said periods?

Mr. MICHAUD:

1. Dr. Aime Chartier of Montreal, is employed as medical expert and treating physician in connection with the work of the Government Employees' Compensation Act.

Amount paid to Dr. Chartier for all services connected therewith: (a) For the year 1943, $41,869.25; (b) For the year 1944—to March 9, $6,218.00.

2. Accounts rendered by Dr. Chartier and not yet paid (outstanding current accounts in process of audit) (approximately), $1,800.

PRICES—ALUMINUM INGOTS

Mr. KNOWLES:

1. What was the gross price per pound for aluminum ingots charged by the Aluminum Company of Canada, Limited, as at January 1, 1943, to Canada, the United States, the United Kingdom, and Australia?

2. On what dates since January 1, 1943, have changes been made in the above prices, and what changes were made on these dates to each of the above countries?

3. What is the present gross price per pound to each of the above countries?

Mr. CHEVRIER:

1. The price per pound for aluminum ingot charged by the Aluminum Company of Canada Limited as at January 1, 1943, is as follows: (a) To Canada: There were no sales. (b) To the United States: the Department of Munitions and Supply is unable to supply this information. The company bills the United States government direct through its agent, the Metals Reserve Company. (c) To the United Kingdom: Base price, 16 cents per pound; escalator price, 1st quarter, 1943, 5·5 cents per pound; 2nd quarter, 1943, 6 cents per pound; 3rd quarter, 1943, 6 cents per pound; 4th quarter, 1943, 5·5 cents per pound: average escalator price for 1943, 5·75 cents per pound; gross price, 21·75 cents per pound. (d) To Australia: The Department of Munitions and Supply is unable to supply this information. The company bills the government of the Commonwealth of Australia direct.

2. (a) To Canada: Answered by 1 (a). (b) To the United States: Answered by 1 (b). (c) To the United Kingdom: Base price, 15·5 cents per pound—as at November 1, 1943; escalator price, the price fluctuates quarterly; average for 12 months is shown in 1 (c); gross price, 21·25 cents per pound. (d) To Australia: Answered by 1 (d).

3. There was no change in base price to United Kingdom from that effective November 1, 1943. The escalator price is not available until after the first quarter of 1944.

GASOLINE RATIONING—AIR RAID PRECAUTIONS

Mr. REID:

Of the 1,879 granted extra gasoline for duties in connection with air raid precautions, how many of those granted extra gasoline are located in Toronto and Ottawa?

Mr. CHEVRIER: Special categories for allotment of gasoline for A.R.P. duties in Ontario were issued as follows as of December 31, 1943:

From the Toronto office	1,549
From the Ottawa office	161
From the Windsor office	169
Total for Ontario	1,879

The figures for those residing in the cities of Toronto and Ottawa are not readily available. Each city mentioned above takes in the surrounding cities, towns and district adjacent thereto.

INDUSTRIAL USES FOR MANITOBA CEREAL CORN AND POTATO CROPS

Mr. WINKLER:

1. Is investigation and research into the uses of Manitoba grown cereal corn and potato crop for starch being made or contemplated?

2. Have any other uses for industrial purposes for these crops been investigated?

Mr. MacKINNON (Edmonton West):

1. Certain investigations on corn produced in Manitoba are being carried on by the associate committee on grain research of the national research council. It is proposed to expand these studies as facilities permit. Investigations into possibilities for drying root crops, such as potatoes, are contemplated in the future as facilities permit.

2. Fermentation of starch-bearing crops to butylene glycol and other chemicals is actively under investigation and this will be extended to cover cereals and root crops as facilities and staff permit.

GEOLOGICAL SURVEY PARTIES

Mr. ROY:

From 1920 to 1943 inclusive, when and how many geologist parties have been sent by the dominion government, (a) in the province of Quebec; (b) in the province of British Columbia; (c) in the Gaspe peninsula; (d) in the county of Charlevoix-Saguenay?

Mr. MACKINNON (Edmonton West):

	(a) Quebec	(b) British Columbia	(c) Gaspe Peninsula	(d) Charlevoix-Saguenay
1920	1	9	..	..
1921	3	9	1	..
1922	3	9	..	..
1923	7	7	2	1
1924	5	9	1	..
1925	7	13	1	..
1926	6	9	1	..
1927	5	9	1	..
1928	5	9	1	..
1929	6	7	2	..
1930	9	8	3	..
1931	5	6	1	..
1932	6	6	..	..
1933	5	4	..	..
1934	6	5	..	..
1935	8	11	..	..
1936	6	10	..	..
1937	7	9	..	..
1938	6	8	..	..
1939	4	7	..	..
1940	7	4	..	..
1941	7	6	..	..
1942	5	9	..	..
1943	3	8	..	..

NOTE.—It was a condition of union of British Columbia with the Dominion of Canada that Canada would assume and defray the charges of the geological survey.

HOSPITAL ACCOMMODATION FOR B.C. TUBERCULOSIS PATIENTS

Mr. MacINNIS:

1. Has the government received any request from the government of the province of British Columbia for providing more hospital accommodtation for tuberculosis patients?

2. If so, what action has the government taken in the matter?

Mr. MACKENZIE (Vancouver Centre):

1. Yes.

2. The government has authorized the purchase of additional land adjoining the Shaughnessy hospital property (and the necessary legal steps to complete the transaction are in progress) upon which to construct accommodation for 150 beds for cases of tuberculosis and other chest diseases, it being considered that these beds are required in addition to the 150 beds costing the federal government $495,767 which were provided at Tranquille Sanatorium, Kamloops, at which institution are now being treated 34 departmental patients at federal expense.

*GALLUP POLL

Mr. CHURCH:

1. What is the Gallup poll; what public control is there over it, and who are its officers?

2. Has the government a copy of Gallup poll voters' list?

3. How many of its officers have served in this war, and in what theatres, and are its pronouncements under public control?

4. Will any steps be taken to censor or regulate it?

5. Who are the writers of this poll, and who do they represent besides themselves?

6. How many members of the Canadian parliament or of the legislatures of the various provinces or municipal councils have voted in this poll?

Mr. McLARTY: Perhaps I can answer this question orally. If by "public control" is meant government control, there is no control whatsoever. This is a private enterprise; it is not even incorporated, so that the information concerning the officers, requested in paragraph 3, could not possibly be given. In question 4 the hon. member asks whether any steps will be taken to censor or regulate this organization. It being a private enterprise, it is subject to all the laws and regulations with regard to censorship and all other matters, that apply to private enterprises in this country. Perhaps with that explanation, and bearing in mind that the government has no information which would enable it to answer questions 5 and 6, the hon. member might be willing to drop his question.

Mr. CHURCH: I believe the censorship regulations should be applied in this case, for I think also there has been a breach of the defence of Canada regulations. This poll is a fraud on the public and political propaganda in wartime; it causes disunity at a time like this. It is just an American fake; it is all Gallup and no poll.

[Mr. J. A. MacKinnon.]

SOCIAL SECURITY—PENSIONS, ETC.

Mr. RAYMOND:

Will anything be done by the government to implement the recommendation made last session by the special committee on social security that the advisability of lowering the pensionable age and increasing the amount of pension in connection with old age pensions, pensions to the blind and veterans' allowances, be considered?

Mr. MACKENZIE KING: This question relates to matters of policy and it is not the practice of the government to disclose policy in giving answers to questions.

QUESTIONS PASSED AS ORDERS FOR RETURNS

NATIONAL DEFENCE—EXPENDITURES ON AMHERST PROPERTIES

Mr. BLACK (Cumberland):

1. What expenditures have been made by the government and Department of National Defence since the commencement of the war on properties of the maritime winter fair commission and the maritime stock breeders association at Amherst, Nova Scotia, stating names of contractors and sums paid each for, (a) improvements and additions to buildings; (b) heating and plumbing; (c) fittings and furnishings; (d) total expenditures?

2. To whom have rentals been paid, stating amounts?

NIAGARA-ON-THE-LAKE MILITARY CAMP

Mr. FRASER (Peterborough West):

1. What was the total capital expenditure since January 1, 1939, on Niagara-on-the-Lake military camp, (a) on construction; (b) on equipment?

2. How many men in training were passed through the camp records during the years 1939, 1940, 1941, 1942, 1943, and what was the largest number of men in training at any one time during each year?

3. How many men in training are at present resident in the camp?

4. How many officers and men of the ranks are on the camp staff as instructors, camp management, kitchen staff and duties other than in training?

CORN, BEANS AND PEAS

Mr. CRUICKSHANK:

1. What stock of the following are on hand as at March 1, 1944: canned corn, canned beans, canned peas?

2. Are there any unfilled orders on hand for canned corn, canned beans, canned peas for Britain or elsewhere?

3. Is it expected sufficient corn, beans and peas will be produced for domestic and export market for 1944?

4. Are any supplies of canned corn, beans and peas being accumulated for export to occupied countries after the war? If not, why not?
5. Have canned corn, beans and peas been rationed in Canada? If not, why, and are they rationed now?
6. What is the average cost of production of corn, beans and peas in each province?
7. What is the minimum wage paid in vegetable canneries for males and females in each province for the following years: 1938, 1939, 1940, 1941, 1942, 1943?
8. What rate was paid per ton for each grade of corn, beans and peas by the canneries in each province during 1943?
9. Have any representations been made to the government regarding subsidies on corn, beans and peas? If so, by whom, and what amount was recommended in each case?

BEEF AND CATTLE

Mr. SENN:

1. Has the export of live cattle from Canada to the United States been forbidden during the months of December, 1943, and January and February, 1944, and to date? If so, on what authority, and by whose orders?
2. Has there been any form of embargo by the United States authorities against the importation into the United States of live cattle from Canada during the past, (a) three months, or (b) the past six months prior to March 6, 1944?
3. How many head of cattle were left over, unpurchased at the close of trading on the Toronto live stock market on Monday, March 6, 1944?
4. Has there been any shortage of beef for, (a) military purposes, or (b) ordinary civilian use during the past two months prior to March 6, 1944?

WARTIME PRICES AND TRADE BOARD—NEW BRUNSWICK

Mr. HANSON (York-Sunbury):

1. How many wartime prices and trade board offices are there in New Brunswick?
2. Where are they located?
3. How many officials are attached to each office, and what are their grades?
4. What are the names, positions and home addresses of each of these employees of each of these offices?
5. What are the salaries and other remunerations received by each of these employees?
6. How many of these employees are returned soldiers, (a) of the war of 1914-18; (b) of the present war?
7. Who recommended these employees, and how were they appointed?
8. If these appointments were made by the civil service commission, were they made after examinations?
9. Who were the examiners, and at what places were such examinations held?

CANADIAN FORCES—ENLISTMENTS—RACIAL ORIGINS

Mr. DIEFENBAKER:

1. What is the total enlistment for overseas service to date in, (a) the navy; (b) the army; (c) the air force?
2. What is the breakdown of said figures on the basis of racial origin?

Mr. MACDONALD (Halifax): In reference to the second part of the question, as far as the army is concerned the information is not available. There is no record of the racial origin of army personnel.

Mr. POWER: With respect to the air force, there may be some record of racial origin as far as English-speaking and French-speaking personnel are concerned, but certainly there would be no record of racial origin to take in Scotch, Irish, Swedish, Norwegian and so on.

Mr. SPEAKER—Dropped?

Mr. DIEFENBAKER: No. Mr. Speaker. I should like to know whether this information is not available. We have in the armed services people of Ukrainian, Polish, Russian and German origin, and so on, and I believe all such information is in the possession of the authorities and should be made available. A similar question was asked in 1942, when it was said the information was not available in detail. As far as the division between French-speaking and English-speaking is concerned, that is not what I want. I want the racial origin of all recruits.

Mr. POWER: I submit that any hon. member who considers this question will agree that it would be impossible to give an answer. Just consider the races which are most numerous in Canada, Scotch, Irish and English. Would it be possible for us to go through all the attestation papers to find out who were a man's grandfather and grandmother, and whether they came from Scotland, Ireland, England or any other part of Europe? I think the question in its present form is impossible to answer.

Mr. DIEFENBAKER: Very well.

Mr. SPEAKER: Dropped.

Mr. GRAYDON: Perhaps I should not intervene at this time, but I should think the first part of the question could be answered quite readily.

Mr. POWER: Certainly.

Mr. MACDONALD (Halifax): There is no objection to that.

Mr. SPEAKER: The first part of the question will stand, and the second part is dropped.

Mr. RALSTON: Order for return.

Mr. SPEAKER: The first part will be an order for return and the second part dropped.

LUMBER—PRICES AND SUBSIDIES

Mr. BRUCE:

1. What were the ceiling prices on lumber during, (a) 1942; and (b) 1943?

2. Did increases occur during 1943? If so, on what date or dates did such increases become effective, and what was the increase in each case?

3. Were any subsidies paid or depletion allowances granted on lumber or saw-logs between October 1, 1942, and December 31, 1943, and if so, on what authority, and on what basis?

4. What companies or persons received such payments of subsidies or depletion allowances on timber products or lumber during the period October 1, 1942, and December 31, 1943, and what was the amount paid or allowed in each case?

SCHEELITE IN THE YUKON

Mr. BLACK (Yukon):

1. What amounts, if any, were expended by the government in assisting the development of scheelite in the Yukon in 1943?

2. To whom were said amounts paid; (a) what amount to each; (b) what for?

3. Was part of such sums expended in wages?

4. If so, (a) to whom were the same paid; (b) at what rates of pay; (c) how much to each?

5. What amount of scheelite was recovered and received from Yukon by the government in 1943, in weight and value?

6. What sums, if any, were paid, and to whom, for scheelite produced in Yukon in 1943?

7. Are any sums owing to the government for advances made in 1943 to the producers of scheelite in Yukon? If so, by whom, and what amount is owing by each such person?

VISITING PRIME MINISTERS

MR. CURTIN OF AUSTRALIA AND MR. FRASER OF NEW ZEALAND

On the orders of the day:

Mr. GORDON GRAYDON (Leader of the Opposition): I should like to direct a question to the Prime Minister, of which I have given him notice. It has been intimated in the press that the Prime Minister of Australia plans to visit the United States within the very near future. Has an invitation been extended to Mr. Curtin asking him to include Canada in his itinerary? In the event of Mr. Curtin accepting such an invitation, can the Prime Minister give any information at the moment as to the approximate date of his visit to Canada?

Right Hon. W. L. MACKENZIE KING (Prime Minister): Some time ago, I extended the Right Hon. Mr. Curtin an invitation to visit Canada on his way to the meeting of prime ministers to be held in London at a forthcoming date. I am happy to say that in the reply received from Mr. Curtin he said he would be pleased indeed to visit Canada. At the time he was unable to say whether he would visit our country on his way to London or on his way back. I imagine Mr. Curtin may find it more convenient to pay his visit on his return from the meeting overseas, when other matters may not be so pressing. I should like to say that it will mean very much to the government to have the opportunities of conference with Mr. Curtin on many matters of mutual interest to Australia and Canada, and I am sure the Canadian people will very much welcome a visit from Mr. Curtin.

I should like to add that if it is possible for the Right Hon. Mr. Peter Fraser of New Zealand to pay another visit to Canada, either on his way to London or on his return, we should very much welcome such a visit on his part.

Speaking of the meeting of the prime ministers in London I was somewhat surprised to notice within the past day or two in one of the Canadian papers a lengthy statement to the effect that I myself might not be attending the meeting of premiers. From reading the article it was apparent to me it had been written for purposes of political mischief. I just wish to register a protest about statements of the kind being given publicity without my being given the opportunity of saying in advance whether or not there is any ground for such assertions. I mention this because I have noticed that there seems to be some new instrument at work in this country, which is continuously making references to matters which I am supposed to be doing, or that I am not going to do, most of which have no foundation at all. I should be pleased if those who attach importance to my doings or movements would, where the matters are important, kindly indicate a little in advance their intention to make public pronouncements and seek to ascertain the truth before inventing or spreading rumours.

CANADIAN ARMY

QUESTION AS TO FURLOUGH FOR OVERSEAS PERSONNEL AFTER LONG SERVICE

On the orders of the day:

Mr. GORDON GRAYDON (Leader of the Opposition): Mr. Speaker, I should like to draw a matter to the attention of the Minister of National Defence—I am sorry I was unable to give him more notice of the question. Has the Department of National Defence under consideration the establishment of a scheme which would allow a service man with a long record of service to return for periods of furlough or service in Canada from active theatres of war? This matter was raised earlier by the hon. member for Lake Centre (Mr. Diefenbaker) and I now raise it again at this time because of the republication yesterday in the Montreal *Star* of an article

written by Honorary Major C. W. Bailey, which appears in the *Eighth Army News*. This dispatch from the Italian front would indicate that the question is a live issue among the servicemen there, and would seem to merit a statement by the minister. If he is not in a position to answer to-day, perhaps he will do it at some other time.

Hon. J. L. RALSTON (Minister of National Defence): Mr. Speaker, generally Your Honour has ruled that answers to questions such as these are not to be given immediately. However, I think this is a matter about which I might speak now, because I wish that there be no misapprehension with respect to it.

I say to the house and my hon. friend that the memorandum from the Royal Edmonton Regiment was received by me, and I might say that it is of a piece with the document I received some time ago from that same regiment in connection with the rehabilitation problem. It is a thoughtful and temperate document which is worthy of the traditions and the fine record of that very splendid regiment. It has had, and will continue to have, every attention.

The subject of leave for men overseas, it almost goes without saying, has had consideration steadily. As the leader of the opposition has said, it was mentioned by the hon. member for Lake Centre during the discussion of the war appropriation resolution. At that time, as reported at page 855 of *Hansard*, I said this:

> I am not in a position to make a statement on a matter of that kind, and the committee will understand why. Great events are pending and, if I took down correctly what my hon. friend said, he refers to a plan for rotating furloughs from certain areas and consideration being given to some foreign theatres. My hon. friend knows the location of our troops generally speaking, and I am not in a position to make an announcement of that kind to-night.

I can only add to that at this moment that operational conditions and shipping make it quite impracticable for me even to raise any hopes in this matter for the immediate or near future at least. I wish to add further that that does not mean that it will not continue to receive the attention it deserves, when changed conditions may warrant it. I should like to express the hope that nothing might be done which would indicate the possibility of favourable action at an early day. I think it is really only raising hopes which are not justified, and which possibly might create uneasiness at a time when we need steadiness perhaps as much as we have needed it at any time since the beginning of the war.

DEFENCE OF CANADA REGULATIONS

RELEASE OF A. N. SCHNEIDER FROM INTERNMENT CAMP

On the orders of the day:

Mrs. DORISE W. NIELSEN (North Battleford): Mr. Speaker, I should like to ask a question of the Minister of Justice, of which notice has been given.

1. Has Mr. A. N. Schneider, well known as a German fascist bund leader, been released from the internment camp, where he has been since 1940, and allowed to return to his home town of St. Walburg, Saskatchewan?

2. If so, upon whose orders?

3. Has any person or organization made representation for his release?

4. If so, what are the names of such persons or organization?

5. What reasons were given in asking for the release of this man?

Mr. SPEAKER: That is a question which should be placed on the order paper.

POSTAL SERVICE

CHANGE IN POSTAGE RATE ON AIR MAIL FROM ARMED FORCES OVERSEAS

On the orders of the day:

Mr. JAMES SINCLAIR (Vancouver North): Mr. Speaker, I should like to ask a question of the Postmaster General affecting our troops overseas. Whereas British troops serving outside Great Britain send air mail letters home for threepence, Canadian troops must pay the civilian rate of sixpence. I would ask the minister to consider that matter.

Hon. W. P. MULOCK (Postmaster General): In reply to the hon. member for Vancouver North I am glad to be able to state that the British postal authorities have agreed to suggestions made by us, and that the rate on the armed forces air letter—that is, the blue letter—sent by our troops in the United Kingdom to Canada, will be reduced from sixpence to threepence, effective immediately.

TUBERCULOSIS

LABOUR SHORTAGE IN SANATORIA IN ONTARIO

Hon. H. A. BRUCE (Parkdale): Mr. Speaker, may I ask a question of the Minister of Labour, of which I have given him notice? Will the minister say what steps he has taken to relieve the serious situation which has developed in two tubercular sanatoria in Ontario as a consequence of a labour shortage, resulting in patients having a delay of many

months in securing relief by way of an operation known as thoracoplasty, very much to the detriment of their health?

Hon. HUMPHREY MITCHELL (Minister of Labour): I shall be glad to give immediate attention to the question my hon. friend has raised. A similar situation has developed in other provinces, and with the cooperation of provincial governments we have been able to meet that situation. My hon. friend can rest assured that, given the same degree of cooperation from the government of Ontario—

Mr. HOMUTH: Now, now; you are not getting away with that.

Mr. SPEAKER: Order.

Mr. HOMUTH: You cannot play politics with that.

Mr. MACKENZIE (Vancouver Centre): You never did, did you?

Mr. MITCHELL: Let me say this to my hon. friend from Waterloo—

Mr. HOMUTH: And there are a lot of things I want to say to you one of these days, too.

Mr. SPEAKER: Order.

Mr. MITCHELL: I say to my hon. friend from Waterloo South (Mr. Homuth), that this is too serious a matter to play politics with.

Mr. HOMUTH: It certainly is, but you are doing it.

Mr. MITCHELL: Given the same cooperation—and if "degree" is not the proper word to use I will eliminate it—from the province of Ontario, I feel certain we will meet the situation there.

Mr. BRUCE: It is not a question of cooperation; it is a question of your selective service functioning properly.

BUSINESS OF THE HOUSE

TABLING OF MUTUAL AID AGREEMENTS—WAR APPROPRIATION BILL

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, at eight o'clock I shall ask permission to file copies of Mutual Aid agreements entered into between Canada and the United Kingdom, Australia and the Soviet Union. My reason for waiting until eight o'clock is so that the time may synchronize with the publication of these documents in the other countries concerned.

[Mr. Bruce.]

I gathered it was intimated last sitting that this afternoon the Minister of Munitions and Supply would be following the Minister of National Defence for Naval Services in the discussion of his estimates on the war appropriation measure. If I may, I would change that order now, and say that to-morrow the Minister of Munitions and Supply will make a statement with respect to civil aviation, and that he will not follow either this afternoon or this evening the Minister of National Defence for Naval Services. If the estimates in the war appropriation measure of the naval minister are concluded, we shall take up supply for the Department of Agriculture.

Mr. GORDON GRAYDON (Leader of the Opposition): When the Prime Minister mentions civil aviation, I take it he refers to the whole statement in connection with the war appropriation resolution so far as the Department of Munitions and Supply is concerned. I understand that civil aviation would form only part of it; is that correct?

Hon. C. D. HOWE (Minister of Munitions and Supply): The statement to-morrow will be wholly on civil aviation. At the same time I shall table the war estimates of the civil aviation branch. Early next week I shall make a statement with respect to the Department of Munitions and Supply, and that will be as a wholly separate statement.

Mr. GRAYDON: We will not be faced with the necessity of debating civil aviation after the statement is given?

Mr. MACKENZIE KING: No.

Mr. GRAYDON: Is it intended to debate civil aviation to-morrow?

Mr. HOWE: No. The intention was to give the statement on Friday, and the debate may go on on Monday, or later.

HOUSE OF COMMONS

AUDIBILITY OF DEBATE

Mr. GORDON GRAYDON (Leader of the Opposition): Mr. Speaker, it seems to me that when I am myself at fault perhaps it is best to make a confession; it is possible that my example might then be followed more eagerly by other hon. members. I have noticed that when anybody is speaking from the far end of the house it is difficult for us here to hear, and conversely it must be difficult for those in the far end in certain circumstances to hear the discussions which sometimes take place between the Prime Minister and myself and

other members sitting, shall I say, in the more active area, or at all events the area where there seems to be perhaps more activity. I think we might perhaps all take a lesson from the fact that it is difficult for those at the far end to hear us. We who sit up here ought to make a personal resolution that we will speak so that we may be heard by those at the far end, no matter what the circumstances of the debate may be, and on behalf of those who sit with me on this side I suggest that that be done. I am sure that the Prime Minister will be only too glad to cooperate with me in this matter as he does in so many other matters—with perhaps some strange exceptions at times.

Mr. MACKENZIE KING: I think my hon. friend knows how effectively I have co-operated with him. May I say to him both on his behalf and my own that hon. members will also have to cooperate with us by maintaining silence while we are speaking.

Mr. GRAYDON: I am sure that the Prime Minister, having got that off his guilty conscience, will feel ever so much better.

OIL

REQUEST FOR STATEMENT ON DEVELOPMENTS AT FORT MCMURRAY

On the orders of the day:

Mr. J. R. MacNICOL (Davenport): May I ask the Minister of Munitions and Supply if either to-morrow or when he proceeds further with his remarks he will tell the house of the progress made at Fort McMurray in the production of oil?

FISHING INDUSTRY

PACIFIC COAST—LING COD—TIE-UP OF FISHING VESSELS

On the orders of the day:

Hon. ERNEST BERTRAND (Minister of Fisheries): Mr. Speaker, at the last sitting the hon. member for Vancouver East (Mr. MacInnis) asked a question which had some relation to an order No. A1096, which was returned on February 10. This order fixes the prices of eighty different fish items. For ling cod a price of ten cents per pound was fixed by the order. The O.P.A. has fixed for the same ling cod a price of ten cents per pound for a certain period and eight cents per pound for another period, while our fish administrator has fixed the price at ten cents per pound during the whole season. It so happens that on a portion of our coasts some of our fishermen have boats on which the ling cod is kept alive and landed fresher than fish caught in the open sea and brought to shore dead, and accordingly they want a little higher price of from one to two cents per pound. The hon. member's question should perhaps have been asked of the wartime prices and trade board, because Mr. Burgess, who sent the telegrams to the different members from British Columbia, did not even send me a copy of the telegram. However, I got in touch with Mr. McLean, the fish administrator, and he is in correspondence with Mr. Burgess. He is the officer to whom Mr. Burgess reports, and he should hear further within a day or so.

Mr. HARRIS (Danforth): Is the O.P.A. price of ten cents in American or Canadian dollars?

Mr. BERTRAND (Laurier): In American dollars, I suppose.

Mr. HARRIS (Danforth): And the other price is in Canadian dollars?

Mr. BERTRAND (Laurier): Yes.

WAR APPROPRIATION BILL

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

The house resumed from Tuesday, March 14, consideration in committee of a resolution to grant to His Majesty certain sums of money for the carrying out of measures consequent upon the existence of a state of war—Mr. Ilsley—Mr. Bradette in the chair.

DEPARTMENT OF NATIONAL DEFENCE FOR NAVAL SERVICES

1. Civil salaries, $6,511,987.

Mrs. CASSELMAN: Mr. Chairman, the statement which the Minister of National Defence for Naval Services has put on the record is just one more chapter of the achievements of the men of the armed services of this country. It is impossible to tell which has made the greater contribution, the men of the army, the navy, or the air force, but this is one more chapter of the achievements of the naval service.

The minister mentioned Royal Roads in his speech. I wonder whether he would give us a little more information on Royal Roads. How the the boys chosen who are sent to Royal Roads? Is there a quota from each province? Are they chosen on their scholastic records? Have they to make application for permission to enter Royal Roads?

I was glad to hear the minister praise the women of the armed services, especially of the naval division, and by the way I am glad to think that we have long since passed from naval defence to naval offence. I cannot see any reason, of course, why the women should not receive equal pay with the men. It should

be the contribution that is made, rather than the sex, that determines the pay. However, the women of the naval service are glad to be serving. They are all volunteers and they serve gladly. But it is not only those who are in uniform who are serving. We should never forget that at home there are many who are serving for Canada just as much as the women in uniform. I refer to the women who are staying in their own homes, doing dull tasks sometimes, sometimes more pleasant ones—the women who are serving in the various societies that are sending comforts to the men overseas. I do not think there is a woman across the length and breadth of Canada who is not in touch in some way with a soldier, an airman or a naval man who is serving, either through their letters or through their efforts with the various organizations such as the I.O.D.E., the Red Cross, church organizations and auxiliaries, navy mothers and so on. The navy mothers are very active in my own city of Edmonton. All this work helps to keep up the morale not only of the men overseas but also here on the home front, which is also so important.

Alberta has 196 officers and 5,778 ratings in the naval service. That is a very good record, I think, for an inland province, and they are to be found in every branch of the service. There are those who are engaged in convoy work and others who are serving in the merchant marine. I think perhaps the convoy work is as important a work as any, taking the food and munitions and our men safely across the seas. It was a great triumph for the convoy system to bring down the number of ships sunk from one out of 181 in 1941, to one out of 233 in 1942, while in 1943 only one out of every 344 was lost. It shows how excellently our men have served.

I was glad to see the list of decorations for the naval service which the minister put on record on Monday. Five decorations were won by men from Edmonton, and I wonder if I might be permitted to read the citation for just one of them. I read this particular one because it is first in alphabetical order in the list, beginning with "B". It is E. E. Binnie, Able Seaman, Royal Canadian Navy, who was decorated with the British Empire Medal on June 2, 1943. The citation reads:

> During prolonged engagements with U-boats in heavy attacks on convoys in the north Atlantic, this rating performed his duty with certainty of precision which led to sight of U-boats on five occasions, thereby contributing to the saving of merchant ships.

That is only one citation out of many that might be given for devotion to duty and gallantry in action. There are, of course, many who have given their lives in the service, and our sympathy goes out to their loved ones at home.

May I ask if it is the general principle that the men who are in training here in Canada are given a subsistence allowance rather than being provided with living quarters? If so, is the rate of subsistence for naval service the same as for the other services? When a man gets subsistence, is the rate the same here in Canada as it would be if his home base were abroad?

I was glad to hear the minister's remarks about the cadet corps. It shows that our youth are very anxious to take their part as much as possible in actual positive work, and the training given is good not only for the service but also for citizenship here in Canada. Many of the leaders in this movement give freely of their time to this work.

Have many of the men of the naval service been taken prisoners of war, and is anything known about their treatment in camps? When they are able to escape and some marvellous stories of escape have come through is there any danger that the telling of these stories will make it more difficult for others to escape, or are there likely to be repercussions affecting those who help men to escape?

The frigate *Stetler,* I believe, is to be commissioned very soon. The minister will remember perhaps that the city of Edmonton did not have the honour of having a ship named after it for the reason that its name is so much like Edmundston in New Brunswick. However, the men of the town of Stetler have shown great bravery, and the *Stetler* is the ship which we claim as ours. I am sure that the men who serve on that ship will carry on the tradition of their fellows in the service up to the present time, and when they come back they will have a great work to do here, apart from the work they are doing abroad now for the building up of Canada. I do not mean building entirely in the material sense. It is true that we need reconstruction and the development of our natural resources, but we also need citizens. Citizenship should mean something more than paying taxes and voting. It should mean something in the direction of building up the character of the country and the dignity of labour. A good citizen should contribute in more ways than materially.

Mr. FRASER (Peterborough West): I was asking a few questions with regard to the new naval surplus disposal committee. This committee has to report to the crown assets

allocation committee. The committee, I understand, cannot dispose of any goods but in turn has to take up the matter with the war assets corporation. I do not know whether I am right in that, and I should like the minister to give us the facts. This naval surplus disposal committee came into being on February 26, because that is the date of the order. Can the minister tell us what was disposed of during the past year by the navy —the kind of goods and the amount? How many new civil employees have been taken on during the past year and where are they stationed?

Mr. MACDONALD (Kingston City): Replying to the hon. member for Edmonton East (Mrs. Casselman), the first question was with regard to Royal Roads. I believe the question referred to provision for clothing.

Mrs. CASSELMAN: My question had reference more to students entering Royal Roads. How are they chosen when they are given that privilege and what are the quotas from the different provinces? Does each of the provinces get a chance to send some of its boys to Royal Roads?

Mr. MACDONALD (Kingston City): There was noise in the chamber and I thought my hon. friend was referring to clothing. It seems she was referring to the manner of choosing students for the college. That is all set out in a pamphlet, a copy of which I shall be glad to hand to her. The students for the college are ultimately chosen by a selection board, consisting for the most part of members of the college staff, assisted in various parts of the dominion, by officers from the locality. The students all pass the same written examination. They are then interviewed by the board and after the interview and examination, if they are physically fit, they are admitted to the total number of 100—fifty each year. There is a quota of twenty-six divided among the provinces according to population. In a given year a province might have no students applying and qualifying for the college, though I should hope that all provinces would be represented. The remaining twenty-four students are selected from all over the dominion in order of merit.

Mrs. CASSELMAN: Is a special examination set for these boys? Do they make application and try a special examination for admission?

Mr. MACDONALD (Kingston City): Yes. A set of papers are prepared by the staff of the college and they are submitted to all the candidates. The same questions are submitted to all the candidates and they write their examinations on the basis of those questions.

Mr. MACDONALD (Brantford City): They have to be matriculants?

Mr. MACDONALD (Kingston City): The examination is of approximately junior matriculation level. As to women's pay, I do not think I can add anything to what I said the other night. I am always glad to reconsider any matter, however, and I shall discuss the subject with my two associates in the other services.

As to the number of naval prisoners of war, I am glad to be able to say that it is very small. I believe the number is about six in all. I shall get the exact number presently. As to the prisoners of war who escape and who recount their stories, I think they are all careful not to say anything that might interfere with the safety of those who are left behind or who are likely to escape. They are careful not to give details regarding the route they followed or the manner in which they escaped.

As to subsistence, may I say to the hon. member for Edmonton East that the rate of subsistence in all points outside Canada is not necessarily the same as in Canada. Inasmuch as naval ratings are stationed at a great number of places outside Canada,—some in London, some in Washington, and some in St. John's, Newfoundland—I had better place on *Hansard* a table showing the different rates. For instance, in the United Kingdom, in the London area, a rating gets $2.25 subsistence whereas in Canada he gets only $1.25, and so on. In Washington there is another rate again. I think it would be well to put the complete list on *Hansard* for the information of my hon. friend.

The total number of prisoners of war I have given as six. It is nine—seven in German hands and two in Japanese.

The hon. member for Peterborough West (Mr. Fraser) asked a question as to the amount of naval material disposed of in the past year. Up to the present we have made no disposals through the newly instituted board under the Department of Munitions and Supply. We have disposed of certain goods under the former arrangement, through the salvage officer. I shall have to look up the record.

Mr. FRASER (Peterborough West): That is before February 26, when this came into being?

Mr. MACDONALD (Kingston City): Yes. If my hon. friend wants the record of what was disposed of prior to that date I shall get it.

Mr. FRASER (Peterborough West): The naval surplus disposal board has to report to the crown assets allocation committee, which, I believe, in turn supplies the goods for the war assets corporation. I am not quite sure how that arrangement was made and I should like to know.

Mr. MACDONALD (Kingston City): That was all done under order in council, which I assume has been tabled, passed on the recommendation of the Minister of Munitions and Supply.

Mr. FRASER (Peterborough West): But this all has to go through these three channels?

Mr. MACDONALD (Kingston City): Yes, before it is disposed of. That is right.

Mr. FRASER (Peterborough West): Does that apply also to ships' stores? I understand that there was quite a lot put ashore last year in British Columbia and left there for some time.

Mr. MACDONALD (Kingston City): Food?

Mr. FRASER (Peterborough West): Yes, ships' stores.

Mr. MACDONALD (Kingston City): I do not know of that but I shall look into it. Is my hon. friend referring to food that was sent to the west coast for shipment to prisoners of war?

Mr. FRASER (Peterborough West): No. Do the ships not get a new shipment of goods every six months?

Mr. MACDONALD (Kingston City): It would be oftener than six months.

Mr. FRASER (Peterborough West): They restock every six months?

Mr. MACDONALD (Kingston City): The ships?

Mr. FRASER (Peterborough West): Special things are restocked every six months.

Mr. MACDONALD (Kingston City): On the ships?

Mr. FRASER (Peterborough West): Yes.

Mr. MACDONALD (Kingston City): More frequently than that. They requisition for stores and supplies as they need them. Usually I think ships would take on food and stores a good deal oftener than every six months.

[Mr. G. K. Fraser.]

Mr. FRASER (Peterborough West): There are special things they handle every six months, I believe. Then they take on a new lot and at the end of that time they put off the old stores they have had on and put on new things.

Mr. MACDONALD (Kingston City): Perhaps my hon. friend is thinking not so much of food as of other materials for the ships—repairs on ships?

Mr. FRASER (Peterborough West): Yes, other materials.

Mr. MACDONALD (Kingston City): Usually a ship comes in for repairs every year. An old part of an engine may have to be removed and a new part substituted or something like that. That would take place normally once a year.

Mr. REID: Complaints have reached me regarding the length of leave granted to navy personnel who have served at sea for some time. I have received complaints that boys doing service on the Atlantic on reaching port are being granted not over two weeks' furlough. My last complaint came from the boys who saw service on the high seas at Kiska. It has been pointed out to me that after a considerable period of duty of a very hazardous kind at Kiska they were granted only one week's leave of absence. Would the minister care to make a statement regarding the furlough of boys who have done service on the high seas? It was recently stated to me that the same leave is granted to them as is granted to those on shore duty in offices.

Mr. MACDONALD (Kingston City): In that case a good deal would depend on when these men had their last leave. The normal leave for a member of the naval services is twenty-eight days in a year. I should think that if any of the ratings to whom my hon. friend refers, those who had taken part in the Kiska expedition, had had no leave for a year previously, they would certainly get twenty-eight days on their return. It might be that some of them had leave a few weeks or months before the expedition set out and consequently would not be entitled normally to the full twenty-eight days' leave. I shall look into the particular point with regard to the Kiska men and give my hon. friend a more definite answer later.

Mr. GREEN: I should like to ask the minister one or two questions about the naval situation on the Pacific coast in so far as Canada is concerned. Each of the ministers has made a brief reference to Canada's war policy on the Pacific. The Minister for Naval

Services made his statement on Tuesday last in answer to a question of the hon. member for Yale which is found at page 1497 of *Hansard*. The minister said:

> That question is covered by the general statement made by the Prime Minister, that we were all in the war together as united nations and would all pursue it to the end.

Then he went on to use these words:

> The Canadian navy, I should think, would play a part in the war against Japan.

The minister gave much the same type of statement on March 9, which is found on page 1314, of *Hansard*, when he used these words referring to the personnel of our navy:

> They are keen, of course, to get the war against Germany over, and then they feel that they have a few matters to attend to in the Pacific.

On March 6 the Minister of National Defence for Air made this statement in so far as his particular branch of the armed forces was concerned—it is to be found at page 1192 of *Hansard*:

> Canada will be in the war against Japan until the very end. I am no strategist and cannot tell my hon. friend just what part we are going to take in the war on the Pacific, but we are going to shift from the European theatre to where we can do the most harm against Japan at the proper time.

The Minister of National Defence said on February 14, to be found at page 466 of *Hansard*:

> In the first place, what I said with regard to Japan or what I wanted to say was, that no commitments have been made at the present time as to the nature or extent of Canada's participation in the war against Japan.

Hon. members of the committee will notice that each of these statements is indefinite. I think it can be assumed with accuracy that the policy of the present government is to leave the fighting against the Japanese in the meantime at least to the United States, Australia, New Zealand, Great Britain and possibly the Netherlands. Further, another branch of this policy is that the United States fleet is being relied on to defend Canada's Pacific coast, and, in the third place, it is the intention, I take it, that Canada will eventually participate in the war against Japan, when the war against Germany has been successfully concluded. I think that is a policy which requires careful consideration by the government and, frankly, a policy which requires revision.

May I emphasize these facts? Canada as a Pacific power should be taking part in the war against Japan now. As a Pacific power we cannot afford to stay out of the fight and allow those other nations to fight Japan for us. If that is not to be our policy, certainly there can be no question that Canada should, at any rate, be carefully planning now what part she is to take in the war against Japan. I am afraid that the difficulty is that our staffs at Ottawa are thinking only of the war across the Atlantic. That has been the position from the start, ever since Japan struck at Pearl Harbor. Those of us who come from British Columbia had a difficult time in the winter and spring of 1941-42 prodding the government into taking action on the Pacific that would give us at least a reasonable defence against the Japanese on that coast. I repeat, I think the staff here, perhaps of the whole three forces, the navy, army and air force, is one-ocean minded. They do not realize that Canada is a two-ocean country—in fact we are now a three-ocean country. We are bounded by the Atlantic, the Pacific and the Arctic oceans.

I suggest that special preparation should be made now against the day when Canada really goes into the war with Japan. The British are doing that. I have here a press dispatch dealing with the speech of Sir James Greig, British Secretary for War, which was made in the House of Commons in Great Britain on March 2. In that speech he used these words:

> In one field the ministry (of supply) can expect from us a whole range of new demands —those for specialized weapons and equipment which will be needed when we transfer our main weight to the war against Japan.

It is perfectly obvious that special equipment will be needed there along with special training. I do not think anybody can question it is a different type of war. Probably the fighting will be of an amphibious nature, landing from ships and seizing various islands, and naval fighting. Probably much of the fighting will be between the Japanese fleet and the American fleet, plus the British and the dominion fleets.

As I have said, Great Britain is preparing to take a very important part in the war against Japan. Her ships and troops are moving into that area. I have another press dispatch in my hand dated November 27, 1943. It states that the British navy is moving on to the Pacific coast of Canada.

Mr. MACDONALD (Kingston City): Are they?

Mr. GREEN: I want the minister to tell me.

Mr. MACDONALD (Kingston City): My hon. friend knows very well the answer to that question, I think.

Mr. GREEN: I am hoping to get an official answer from the minister. This dispatch says:

Vast expansion of naval base and repair facilities on the British Columbia coast, in preparation for the all-out drive against Japan, is foreshadowed in a statement by Admiral Sir Percy Noble, head of the British admiralty delegation at Washington, D.C.

Then the dispatch goes on to say:

Sir Percy declared that it is likely that the Royal Navy will—in its Pacific operations—seek permission to make use of Canadian bases. Such bases would undoubtedly remain under Canadian control. He considered it "unlikely" that separate bases would be operated by the Royal Navy.

Indications of increased naval activity on this coast in the near future are the recent presence of British and United States naval experts in Vancouver.

It has been reported, too, that Vancouver and Prince Rupert will share largely in the activity to come.

Our own admiral on the Pacific, Admiral Brodeur, is reported in the press of December 3 last to much the same effect. He is quoted as saying:

There is no doubt in my mind that Vancouver and Victoria will be used in case of large naval operations for the repair of ships. There are bound to be a few damaged ones.

The newspaper report goes on to say:

Asked whether the Royal Canadian Navy would operate with the Royal Navy, Admiral Brodeur pointed out that such action has been a matter of long-standing policy with both services, and said the R.C.N. "will play a very big part when the 'first class second front' begins."

The position is that the first thing we know, if Canada does not take her fair share in the war against Japan, she will be left out of the decisions that will be made after the war with regard to all the lands lying around the Pacific ocean. Only to-day the Prime Minister referred to the agreement between Australia and New Zealand which was negotiated late in January; he pointed out that he thought it was a very important agreement. Incidentally the Australians and New Zealanders have asked Canada to become a party to that agreement. These specific questions must be faced by the Canadian government; they must not be pushed aside to be dealt with "if" or "perhaps", after the war with Germany is ended. Canada, as a Pacific power, must have a fair share in the decisions which will be made after the war as to the future in the Pacific.

I suggest that the members of this committee and the Canadian people are entitled to know what part the Canadian navy is going to play in the war against Japan and also what is the Pacific policy of the present government. We should have that in far more detail than the general statement made by the minister to this effect: "The Canadian navy, I should think, would play a part in the war against Japan." Then we are entitled to know whether or not Great Britain has sought permission from Canada to use naval bases on our Pacific coast and, if that permission has been sought, whether or not Canada is granting it, and also whether the Canadian Navy is cooperating fully with the Royal Navy on the Pacific coast. I have no doubt that will be done if it is left to the personnel of the Canadian Navy. We are entitled to be reassured on this whole question.

Mr. CHURCH: While I appreciate what has been said by the hon. and gallant member for Vancouver South with regard to the great Pacific question, Canada is now bound by the arrangements made between Mr. Churchill and the President of the United States at Cairo and the other conferences which have been held. As you know, Mr. Chairman, both before and after Pearl Harbor Great Britain had practically left the Pacific, which was looked upon as the exclusive preserve of the United States. Great Britain was not ready for war. After Hong Kong and Singapore fell we found that commitments and preferences had been made, to the effect that Britain was not able to take charge of the war on the seven seas; she had not the fleet, owing to disarmament on land, sea and in the air. So as a result of the conferences that were held, by which Canada is bound as a member of the British empire, the Pacific war came to be looked upon as the particular allotment of the United States.

What has happened? You have all seen what has taken place in the Pacific, which I spoke about before Pearl Harbor, when I saw the war coming. I said that the Japanese, who were our allies in the last war, would be island-hopping around to all the ten thousand miles of islands in the Pacific, and that is what they have been doing. They have appeared in all those islands, and they are all mined. we have the gravest possible state of affairs in that particular campaign. What happened at the Cairo conference, to which Canada was a party? Mr. Churchill and the President of the United States made commitments with regard to the Pacific. What are those commitments to which Canada has agreed? Canada, by Cairo, has agreed that Japan must give up all the territories it has acquired in the last fifty years, and as well must give back everything she has conquered since Pearl Harbor. Well, it seems to me, and we do not even yet appreciate it, that the war with Japan will last another four years, and I am

afraid that sooner or later the allies will have to agree not to go as far as they went at the Cairo conference, which by the way has been criticized very strongly in the British press and house. Certain commitments have been made since the war started; some are primary, such as aid to Russia, and others are secondary. The defeat of Germany is the most important thing of all, and Canada should keep out of the Pacific until she has a fleet strong enough to play its part in that campaign. After all, the mother country is in this war against Japan on land, sea and in the air.

As I said the other night, the Canadian navy has played a glorious part in the war so far, but we have not yet the ships or the men to play a very active part in the Pacific at the present time. That theatre of war has been left pretty much to New Zealand, Australia and the United States; and the contribution that has been made by the splendid United States forces and by Australia and New Zealand is most praiseworthy. It is true that after Hong Kong and the rout at Singapore Canada sent a number of men to Kiska, where they did splendid work. It is also true, as the minister said the other night, that we have done a good deal in connection with the development of harbour facilities there; but as I said in 1936 and 1937, speaking from this side of the house, from Puget Sound for six hundred miles through the Queen Charlotte islands we had at the Pacific an undefended coast line which was just inviting trouble, absolutely unprotected, through the policy of this country in not having a proper fleet or any proper form of defence. British Columbia is entitled to everything we can give her; I am very sorry it has been necessary to have blackouts there and all that sort of thing, but I do not see what we can do at the present time. The government is bound by the arrangement that has been made, giving the United States the prerogative in the Pacific, which we abandoned after the Singapore base was lost.

Back in 1937, when the Japanese question was under discussion, the present Minister of Pensions and National Health, who was then Minister of National Defence, did manage to get some increases in the estimates in regard to the Pacific coast. At that time I pointed out that 630 miles of that territory was unprotected; that it had hundreds of inlets and harbours, but we had no fleet to guard it. The minister brought down a return showing the size of our navy, which consisted of two or three destroyers, I believe, totalling less than ten thousand tons in all. It was not the fault of anyone, as far as I can see, because they were all pacifists, both in and out of this house. I know I was accused of being a warmonger away back on March 24, 1938, five months before Munich, when I pointed out the grave danger in the Pacific, as well as the dangers over in Europe.

I appreciate the position of the hon. member for Vancouver South, the hon. member for Vancouver North and all the members from British Columbia, who have been most active in the interests of their province, but we must face the facts. The mother country had no fleet left; she threw away her defences and depended on Geneva up to the time the war broke out. Blame the pacifists who brought about this state of affairs after Britain had ruled the seas for a hundred or more years. We had peace for a hundred years from 1815 up to the time of the last war, except for a little outbreak in 1900. Britain had supremacy on the seas, together with commercial supremacy; and when you lose that you cannot get it back in a day, a month or a generation. I think the minister was quite right in what he said the other evening, that the war with Germany was primary, and I believe the government is quite right in its Pacific policy, until such time as Germany is beaten, and dear knows she is far from beaten yet. Where are you going to get a fleet to operate in the Pacific? Can you take it out of the Atlantic, the North sea, the Mediterranean and the Indian ocean at the present time?

We had a little experience in Kiska. I can tell you this, that we do not want any more Hong Kongs in the Pacific, or any of that kind of thing. With all the tipping off that has been going on, until we are ready we do not want to send troops, air force or forces of the army to the Pacific area, to those numerous islands which are all mined. Look at the loss of life the United States has suffered in the glorious work it has done. Look at the awful loss in the United States fleet in the Pacific, and in their air and land forces. Do not forget the great debt of gratitude we as a dominion owe to New Zealand and Australia. Before the war started they gave to maritime freedom in the Pacific $5,000,000 a year to the Singapore base. That base was lost by bad management, by the infiltration of infantry, and the lack of forethought.

Until we know that Germany is beaten I cannot see how we can put up a fight against Japan—we a people of only 10,000,000 people. We have not the armaments to do it. The main thing is to see that Germany is defeated and, as Mr. Churchill has said, when Germany is defeated all the power of the mother country will be placed behind the United States

to destroy Japan, that awful race which has acted as cannibals toward our soldiers overseas.

Mr. GREEN: May I have an answer to my question?

Mr. MACDONALD (Kingston City): With regard to the use of bases on the Pacific by the British navy, my hon. friend wanted to know whether the United Kingdom had asked permission to use those bases, and if so whether such permission had been granted. By the agreement of 1910, when Great Britain abandoned her bases in Canada, and when they were taken over by the dominion, there was a clause to the effect that the British government should always have the right, or that His Majesty's ships should always have the right, to use the bases both at Halifax and Esquimalt, free of any charge, with the exception of charges for labour and materials, which those ships would have to bear.

Then, as to whether Canada should take part in the war against Japan: I believe my hon. friend made the same plea last year with regard to land forces of Canada. He pointed out that Canada should take part in that war, and I think he indicated that a contingent of land troops should go into the war against Japan. He now makes the same request with respect to naval forces. I am not speaking unkindly when I say that there have been a great many suggestions as to how the Canadian Navy should be disposed. Many suggestions have been made since the beginning of the war, some in the house, some by newspapers outside the house, and others on public platforms. We had a remarkable number of such suggestions in 1942. Some people thought we should take the whole Canadian Navy and defend the gulf of St. Lawrence only, or the strait of Belle Isle, or Cabot strait. That, they thought, was the entire function of the Canadian Navy. Those entrusted with the strategic direction of the navy said no; that that was a ridiculous naval policy, and that no navy worthy of the name would adopt a policy of that kind—sitting back on its own shores, waiting to be attacked. They pointed out that the thing to do was to go out and meet the enemy as far away from our own coast as possible, and to endeavour to defeat him there.

That policy was adhered to in the face of strong and bitter criticism from certain quarters in Canada. It was adhered to, and it bore results, because in 1943 not a single German submarine made an attack in our coastal waters. Why? Because they were being attacked themselves out in mid-Atlantic, and they are being attacked almost at this very moment in mid-Atlantic. Some of them are being sunk by Canadian ships of war. That was the policy we pursued then, and we were right.

With regard to the Pacific, and the sending of our naval forces to that area, I would point out to my hon. friend that the sea is one. That is an old and very true naval maxim. My theory is that anything done in one part of the sea against the enemy may be taken to be done in all parts. If you destroy an enemy submarine in mid-Atlantic you weaken the general power of the enemy. When they sank the *Scharnhorst* off the north tip of Norway about the end of the year, that was a blow at the entire axis sea power. When a few days later two cruisers, one of which was commanded by a Canadian officer, sank four German destroyers in the bay of Biscay, that too was a blow at axis naval power.

Mr. GREEN: But the bulk of axis sea power is in the Japanese fleet, is it not?

Mr. MACDONALD (Kingston City): Probably it is, although the German submarine fleet, I think, is more powerful than the Japanese.

Mr. GREEN: Not more powerful than the Japanese fleet, surely?

Mr. MACDONALD (Kingston City): I was speaking of the submarine fleet. I think the German submarine fleet is more powerful than the Japanese. The Japanese fleet of course has more surface vessels. But the point is that the fact that we have not many ships actually in Pacific waters at the present time does not mean that we are not assisting in the battle of the Pacific. By no means does it mean that. For instance, how much assistance is Great Britain giving with respect to the war in the Pacific at the present time? How many units of the British fleet are in the Pacific? But will my hon. friend say for one moment that Great Britain will not have a voice at the peace table so far as the Pacific possessions of axis powers are concerned, merely because the bulk of her fleet is elsewhere at the present time? Does my hon. friend say that Russia will have a lesser voice in peace discussions because she has no fleet in the Pacific?

Mr. GREEN: The British have had units of their fleet in the Pacific.

Mr. MACDONALD (Kingston City): As the hon. member for Broadview (Mr. Church) pointed out, the strategy of this war to a great extent was to leave the Pacific very largely to the Americans, to leave the Atlantic to the British fleet, and the convoy work to the

British and Canadian fleets. That was the general arrangement made, and it has worked out with reasonable satisfaction.

I cannot undertake, even if I knew, to give my hon. friend the exact number of ships in the Pacific, either Canadian, British or American.

Mr. GREEN: I did not ask for that.

Mr. MACDONALD (Kingston City): I cannot attempt to do it. And I do not think I can amplify the statement I made the other day, that it is the intention, as announced by the Prime Minister, that Canada shall have a part in the Pacific war. I have no doubt that the Canadian navy, the Canadian air force and the Canadian army will take part in it. Beyond that I cannot go. I do not take that stand with any intention whatsoever of disregarding our great coast which faces the Pacific, or the importance of the ports in British Columbia.

We are disposing our fleet to the very best possible advantage, in accordance with the plan agreed upon by all those vitally concerned—Canada, the United States and Great Britain. And in view of impending events in Europe, which I need not discuss at the present time, in view of their importance, and in view of the part Canada is going to play, and play on the sea, in those events, I say it would be very difficult for us to do anything different from what we are doing.

Mr. GREEN: Is any thought being given to plans for the Canadian Navy in the Pacific, once Germany is beaten? Is there any special planning being done, or any special training being carried out for the type of warfare which will be followed in the Pacific?

Mr. MACDONALD (Kingston City): As I said the other night when speaking with regard to rehabilitation, some people think we should be devoting our whole time to consideration of post-war problems. As I said last week it is my view, and I am proud to say it is the view of the personnel of the Canadian Navy, that our great concern is: Let us win this war first. I say of course that we are giving some thought to after the war. But let us get the war over first. We have a job to do as a navy, and we are doing it, and doing it successfully. While we have that job to do I do not know that we can spend too much time in sending ships to the Pacific to study methods of warfare in that area.

All our staffs are constantly endeavouring to keep up to date with the progress of the war in the different theatres of war. They are endeavouring to follow the new types of warfare being developed at sea, on land and in the air. And our naval staff is not at all remiss in that regard. But when my hon. friend asks me if we will send ships to the far Pacific, to the southwest Pacific—

Mr. GREEN: I did not ask that at all. The minister cannot put words into my mouth like that. I do not suppose he wishes to be unfair. but I did ask him whether he has any branch of his naval staff, or whether he has any officers or others doing special planning work for the Pacific. I am not questioning the good work that is being done by the navy in the Atlantic. It is unfair to drag a red herring across the trail in that way. I am asking whether there is any planning being done in regard to Canada's part in the naval war on the Pacific. Surely there are enough personnel in the navy now for some at least of them to be put on that job.

Mr. MACDONALD (Kingston City): The department of plans of the navy and the naval staff are giving attention to all matters of this kind. I say again that we cannot do a hundred things at once. You cannot fight on the Atlantic and on the Pacific too with the same ships. My hon. friend ought to realize that.

Mr. GREEN: I did not suggest anything of the kind.

Mr. MACDONALD (Kingston City): Let me ask my hon. friend, does he say that we should take one-quarter or one-third of our forces in the Atlantic and send them to the Pacific, or what proportion?

Mr. GREEN: I did not say that at all.

Mr. MACDONALD (Kingston City): Give me a figure. He thinks we can take part in the Pacific war. I ask him, to what extent should we do that?

Mr. LOCKHART: Calm down!

Mr. GREEN: He cannot calm down. I suggest to the minister that there should be on the naval staff right now, and there should have been for a long time, somebody whose job was to make plans in regard to Canada's part in the naval war on the Pacific. I did not suggest that one ship or ten ships should be moved or anything of that kind. I do say this to the minister, that if Canada does not watch out and pay a little more attention to the war on the Pacific she will seriously endanger her relationships with Australia and New Zealand and possibly with the United States. We are a Pacific nation and it is part of our job to prepare for participating in the war on the Pacific.

Mr. MACDONALD (Kingston City): My hon. friend is changing his stand considerably, because he started out by saying that Canada should take part in the war in the Pacific, and I understood him to say that we should send ships to the Pacific. I ask him where he thinks we would get them, and where should we take them from? Does he suggest in view of what is going to happen in Europe that we should take ships out of the Atlantic? I can tell my hon. friend that we are going to take part in that action against the continent of Europe. Canadian forces, land and sea and air, will take part in that invasion in no small measure. Would he say that we should jeopardize the success of that invasion by taking ships from there? Should we take them out of the convoy service to Europe, where we are already doing 40 per cent of the convoy work now? In addition, a large part of the north Atlantic is entirely under the command of Canadian naval officers. Does he think that we should take ships out of there? If he says no, then I ask him where are we going to get the ships to send to the Pacific?

As I have already said, there is a plans branch in the department and we have a naval staff which is giving attention to the Pacific war as it is to all types of sea warfare. Beyond that I cannot go.

Mr. GREEN: Why did not the minister say that ten minutes ago?

Mr. MACDONALD (Kingston City): I did say before my hon. friend rose that we had a plans branch and a naval staff that were always studying naval warfare. They are studying the Japanese war and Japanese methods. But my hon. friend was asking us to send ships to the Pacific just as last year he wanted a contingent.

Mr. GREEN: There are already ships in the Pacific, as the minister knows.

Mr. MACDONALD (Kingston City): Does my hon. friend want us to withdraw those ships from those waters?

Mr. WARREN: Mr. Chairman, I am prompted to speak after listening to the remarks of the hon. member for Durham a couple of days ago describing the enthusiasm of the people of Port Hope because a ship of the Canadian navy had been named after Port Hope. It recalled to my mind that in the early days of the war some of the citizens of the town of Pembroke, the county town of Renfrew county, had asked me if it might not be possible to have a ship named after the town of Pembroke. I wrote to the department of naval service, and we were disappointed to get a reply that that was not possible as there was already a ship by that name in the British service.

But as I listened to the hon. member for Durham the other night, it occurred to me that perhaps there would be no objection to naming a ship after the township of Wilberforce. Wilberforce is not a city or town; it is a township of lakes, splendid scenery, some very good farming country, and many good farm homes maintained by hard-working ambitious farmers. While it may have no great claim to fame, it has perhaps some little claim for special notice in that it has contributed its fair share of men to public service in this country. Doctor Maloney, who was elected to this house as a member of parliament for South Renfrew on three occasions, was born and raised in the township of Wilberforce. The late Alexander Stewart, who spent his life time in the township of Wilberforce, was elected on two occasions to represent North Renfrew in the Ontario legislature. Stanley Hunt, who was elected to represent North Renfrew in the Ontario legislature at the last election, was born and raised in the township of Wilberforce. I have myself spent my lifetime in the township of Wilberforce, and North Renfrew has done me the honour of choosing me to represent them for one term in the Ontario legislature and on two occasions they have elected me to represent them in this house. I would therefore ask the minister if it would not be possible for him to consider having a Canadian ship named Wilberforce.

Mr. STIRLING: Will the minister give a reply to the remarks made by Sir Percy Noble, followed by Admiral Brodeur, with regard to the use of facilities on the Canadian Pacific coast for the British fleet? He did refer to the old agreement of many years ago with regard to the facilities then existent, but as I read the remarks of Sir Percy Noble they were extremely definite that it was intended to quarter ships on that part of the coast, and Admiral Brodeur was of the same opinion. But from the minister's reply to the hon. member for Vancouver South it sounded as if there were nothing in it. Would the minister say there was nothing in it?

Mr. MACDONALD (Kingston City): I would not say there was anything in it or nothing in it. All I say is that if the British wish to make use of the base at Esquimalt for their ships they are at perfect liberty to use it under the agreement of thirty or more years ago. As to British Columbia ports being made

a base for a large section of the British fleet in the war against Japan, if Sir Percy Noble made such a statement—I have not got it here —I assume that he was speaking with due deliberation and it may thus be assumed that he was speaking correctly. But I cannot add to or take anything away from his statement. That is all I can say. I know of no plans involving the use of Pacific ports by the British fleet beyond the old agreement of thirty years ago.

Mr. STIRLING: The implication in Sir Percy Noble's remarks was undoubtedly that Canadian ships being extremely busy on the Atlantic side it was the intention of the government—

Mr. MACDONALD (Kingston City): The British government?

Mr. STIRLING: I presume he would not have made that statement had the idea had not had the acquiescence of the Canadian government, and I am surprised to hear the minister say that so far as he is aware no such pronouncement is accurately made.

Mr. MACDONALD (Kingston City): There is very little definite about the Pacific war except, as I said the other day and have said repeatedly, that we are planning to take part in that war. I have no doubt that the British fleet will take part in that war, but in exactly what way is another story. On that point I can give my hon. friend no information at all.

Mr. POTTIER: A few days ago when the minister was asked as to the type and size of vessels for a permanent Canadian navy he indicated, as I understood him, that this was a matter that should be left until the war was over and that it would depend on the urgency and particular needs of the times. I am one of those in this house, and have been and will continue to be who are in favour of Canada having a substantial permanent navy. I believe that Canada needs a navy, and if Canada is to be a great country it needs a navy particularly from the standpoint of defending its shores and taking part in any combat in which it sees fit to engage. That brings up the question, and that is why I speak about it to-day, of maintenance and repair facilities, plans and personnel. If it is suggested that I am too realistic, I reply that we have to look at what is going to happen in connection with our repair yards and shipbuilding facilities when the war ends.

May I state my view in a few words. As soon as the war ends the cargo shipbuilding programme will cease and our naval shipbuilding programme will in a large measure be discontinued. It will be found that shipbuilding and ship repairing facilities will decline in consequence. It appears to me, therefore, that some thought should be given to the maintenance of repair facilities in order to look after naval ships when the war is over and to keep them in proper condition. We should also have trained workmen available at all times for the purpose. Unless some plan is made in that regard we shall be faced with a lack of proper facilities as well as of the workmen who will be needed when the time comes. The minister should keep in mind the present facilities that have been set up on the Atlantic coast. The maritime ports are available twelve months of the year and the facilities that are there now should be kept up so as to fill the need which will make itself felt in the future. Unless this is done we shall find, if Canada is ever faced with the situation that existed in 1939, that it will be necessary for us to build all over again and it may be two or three years before we can recover the position we hold at the present time. I hope that the planning departments under the minister are giving some thought to this matter, that they will approve the idea of retaining the facilities we have now and our ships as well and of keeping them in as good condition as they are in at the present time.

Mr. MACDONALD (Kingston City): The hon. member for Peterborough West asked for the number of civil servants taken on during the past year. The number is 545, both here and at outside points.

Mr. FRASER (Peterborough West): In the return tabled on March 3 it appears that seventy of these men are in Newfoundland. How many civil employees have we there altogether, and how many are in Britain—or are there any there?

Mr. MACDONALD (Kingston City): I will get that information in a moment as regards Newfoundland. The number serving in the United Kingdom is eight.

Mr. FRASER (Peterborough West): The return shows that there were seventy added in Newfoundland.

Mr. MACDONALD (Kingston City): That is quite possible. There is a considerable expansion in St. John's, Newfoundland, and it may be that seventy were taken on since August of last year.

Mr. ROY: The minister repeated a few moments ago the very same statement he made the other day, namely, that there were certain short-sighted people in 1942 who were

asking that the whole Canadian navy be moved into the gulf of St. Lawrence to deal with the submarine menace there. I suggest that he is magnifying the fact a bit when he says that people asked for the whole Canadian navy to be sent there. I am not aware that any person or any newspaper ever asked that the whole navy be moved to that locality. What people and the newspapers asked was that some protection should be given our ships there. The minister goes on to say that the policy of his department was a wise one, that by fighting the submarines on the open sea we took the best means of destroying and getting rid of them. I wonder if the submarines could not have been got at and destroyed more easily in the St. Lawrence. If they could have been got rid of in that locality would not that have served the end as well as fighting them outside? But that is not all. If the minister's policy was the right one, and if in 1943 we did not have any submarines in that section by reason of the fact that his department followed the right policy the year before, how is it that the government made provision for such effective defence of the Gaspe coast last year? The defence organization was widely advertised throughout the Canadian press last summer. Every hon. member must recall the kind of publicity that was given the organization that was established on that coast last year. As a matter of fact, we had a very good organization last year and that may explain in part why we had no submarines then. Well, if it was advisable to fight the submarines in 1942 on the high seas, because that was the best way to destroy them, I should like to know, assuming that it was useless for short-sighted people to ask for some protection in the St. Lawrence, why the government has set up such admirable protective safeguards as those we have now.

Mr. MACDONALD (Kingston City): I suppose a submarine could be sunk in the gulf or the river St. Lawrence as well as anywhere else. There is no doubt about that. But I must leave to the naval staff rather than to my hon. friend the task of determining how the navy should be disposed of to the best advantage. They disposed of it as they thought best in 1942. There were naval ships in the gulf and the river St. Lawrence all the time in 1942, and there were others on the high seas. Submarines did not attack in the gulf of St. Lawrence last year. I am sure that if they had done so, the civilian defence corps, which my hon. friend speaks of, would have been helpful in spotting and reporting them, but I cannot think that the civilian defence corps kept the submarines away from the gulf.

Mr. ROY: I am not talking only about the civilian defence corps on the coast; I am referring to the number of ships we have had in Gaspe harbour. Moreover, we have had planes and telephone lines and all the other organization that has been set up. We had more ships and planes last year than the year before.

Mr. MACDONALD (Kingston City): Of course we had more ships and planes last year than in 1942. We have added considerably to the strength of the navy and air force and consequently we had more ships for mid Atlantic and the gulf of St. Lawrence. My hon. friend is quite right about that.

Mr. GRAYDON: May I say a word, which has been prompted by the debate that took place a few moments ago in which the hon. member for Vancouver South and the hon. member for Gaspé took part. I can recall the debate that occurred in the last session when I came to the rescue—or rather to the support, shall I say, since he did not need to be rescued—of the hon. member for Gaspé, when he made certain suggestions with regard to strengthening the position on the east coast from the point of view of submarines. I should not like to think the minister is not susceptible to suggestions from any part of the committee, but in that particular instance it seemed to me that when the hon. member for Gaspé did come forward with suggestions they were not welcomed in the manner I should like to have seen. I hope that the inquiries which are being made by the hon. member for Vancouver South will not be found in the future to be in the same category. Perhaps the minister may find that there is something with respect to the position on the west coast that has a similar bearing to that which was brought to the attention of the ministry last year by the hon. member for Gaspé. I should like to think the minister is prepared to give careful and keen consideration to the suggestions and inquiries brought forth honestly and in a desire to help by members of this committee. On reflection I think he will not want to deal with the hon. member for Vancouver South in the way that he did this afternoon. I think all the hon. members of this committee, regardless of party affiliation, are anxious to try to be as helpful as they possibly can; otherwise the debate and the appropriations and the opportunities given to discuss them become, of course, of limited importance.

Mr. MACDONALD (Kingston City): In answer to my hon. friend, the leader of the opposition, the only thing I wish to say to the committee is this: I cannot attempt to give the detailed disposition of ships, whether

it be in the Pacific or in the gulf of St. Lawrence or in the Atlantic. It simply cannot be done.

Mr. GREEN: Nobody was asking that.

Mr. MACDONALD (Kingston City): If anybody asks me how many ships there are, here or there, I cannot attempt to answer such questions. I do not think they should be asked. I do not say my hon. friend from Vancouver South was endeavouring to put his question as pointedly as that, but I think my hon. friend himself knows, for instance, how many British ships are in Vancouver at this time.

Mr. GREEN: I do not.

Mr. MACDONALD (Kingston City): I thought there was nothing that I could tell him which he did not pretty well know already.

Mr. GREEN: The minister is quite wrong there.

Mr. MACDONALD (Kingston City): I shall be glad to tell my hon. friend anything I can.

Mr. ROY: I am prepared to accept the explanations made by the minister when they are reasonable. But since the year 1942 has been mentioned by the minister, may I say I do not like to be called a traitor or short-sighted. I think the minister would do well to desist from giving expression to such remarks in the committee.

Mr. MACDONALD (Kingston City): I never suggested that my hon. friend was a traitor or anything of the kind. My hon. friend is mistaken if he assumes I ever intimated that he was anything of the sort.

Mr. GREEN: In opening his discussion on these estimates the minister said that during the next fiscal year the navy planned to take in personnel to a number of about 12,000. That is half the number required during the present fiscal year. I presume that there is quite a large wastage, quite a few men are discharged each year. Will the minister tell us whether or not those 12,000 men will simply maintain the navy at its present strength of 80,000 or whether the establishment is to be increased?

It has been announced that the Canadian Navy is now to be a fleet with large ships. In other words, it is no longer to be what the minister described as a small-ship navy. Perhaps we are all in agreement with the change in policy. I am glad those heavier ships are being acquired, but there is considerable uncertainty as to the government policy with regard to a merchant navy. I take it that in peace time the principal job of our navy will be to protect our shipping. Some one or another of the ministers should explain the policy of the government with regard to a merchant navy. Admiral Brodeur said on November 24, 1943:

> It is incorrect to think that a strong sea power can be obtained by building a strong fighting navy alone. To have real sea power a nation must also have a strong merchant navy.

Last December the Minister of Munitions and Supply advocated Canada having a proper merchant fleet. He said:

> Canada should provide a merchant marine worthy of the dominion's export position.

Two weeks later the Minister of Transport said that he could see no future in Canada going into the shipping business on a big scale after the war. He went on to point out the difficulties of keeping up a merchant navy. Is the minister in a position to state to-day the policy of the government with regard to a merchant navy? It is of the utmost importance to the whole of Canada.

Mr. MACDONALD (Kingston City): I am not in a position, because, while it was suggested the other night by the hon. member for Cape Breton South that the merchant navy be put in uniform and made part of the service navy, that has not been done in this country or in Great Britain. The merchant navy is a totally distinct branch from the service navy. I really have nothing to do with the merchant navy beyond the general interest that I hope every Canadian has in the establishment of a strong mercantile marine.

Mr. GREEN: The minister is not in a position to state the policy of the government with regard to a merchant navy?

Mr. MACDONALD (Kingston City): No, I am not.

My hon. friend asked if the complement of the Canadian Navy would be increased during the year. I may say it will. The total complement at the end of the fiscal year will be, we hope, about 12,000 men more than it was at the beginning of the fiscal year, allowing for discharges and casualties.

Mr. DIEFENBAKER: There are a few matters I should like to bring to the attention of the minister. One of them is a year old and I have not as yet received an answer to it. It has to do with the establishment of an insurance scheme for the armed forces. I am not going into details in connection with it. I did that on June 9, 1943. I then set out the particulars of the scheme in effect in the

United States. Under that scheme some 7,750,000 servicemen in the various armed services of that country had made application for insurance under the system in effect there. Under that system insurance is available for $6.70 a month per $1,000 of insurance. If a similar system is adopted in Canada, those who serve will be able to build up a nest-egg when they return, and if they do not return then those nearest and dearest to them will be assured of a monthly payment over a period of fifteen years on the basis of a $10,000 policy. The amount paid per month is, I believe, approximately $50. When I asked the minister a question last year on this matter he stated that he would take it up with the other ministers for defence and in due course would give an answer. Without going into the particulars to-day, I now ask him whether or not it was taken up; whether the decision of the Canadian government is that it will not bring into effect a system of insurance for the armed services in order to place those who serve in the Canadian army in the same position as are the men who serve in the United States army.

Then there is one other matter. As far as the other armed services are concerned we find to-day many young men who for a period of four or five years since the beginning of the war have been in the armed services, but prior to that time had not been. They have achieved senior ranks to-day. Men who in 1939 ranked as lieutenants or captains command divisions to-day. In the air force the same situation prevails. I think of a young man in my own constituency who was mentioned in the press to-night, Wing Commander Robert Turnbull, D.F.C., A.F.C. In a period of nine months of service he rose from the rank of sergeant-pilot to wing commander, one of the most distinguished records in the Royal Canadian Air Force overseas.

As far as the navy is concerned I have heard it said on many occasions that men from the Royal Canadian Naval Volunteer Reserve are, by the operation of things, denied the opportunity of promotion to the senior ranks. I know it will be said that the position is different in the navy from that in the army or the air force. But I do feel that in so far as the thousands and thousands of young men who to-day serve the navy are concerned, those who are officers but who had not served before the war and who are giving of their best, consideration should be given to enable some of those officers to achieve ranks beyond that which they have been able to secure up to date. I should like to have a statement from the minister of the number of R.C.N.V.R. officers of the rank of commander and senior thereto; the number of senior officers above the rank of captain who have been retired from the service during the last year; and whether there is in the navy any system similar to that referred to the other day by the Minister of National Defence for Air, under which senior officers are being retired because to retain them in their present positions would mean a ceiling on promotions for other officers lower in rank.

There is just another point, with respect to the post-war navy. Naturally, coming from the prairie provinces, I am very proud of the magnificent record made in the navy by the young men from that part of the country who had no previous experience at sea, and I thank the minister for his kind reference in that connection. What about these young men after the war? In the matter of rehabilitation, what about the opportunity for those who so desire to continue in the naval service? There is a very strong feeling in Canada to-day that after the war Canada should maintain a two-ocean navy. The minister may disagree with that view; but Doctor Weir, director of training in the Department of Pensions and National Health, in presenting a report to the House of Commons reconstruction committee on February 23, said he had questioned many thousands of people across Canada and that the people questioned were in favour of maintaining a two-ocean navy and a modern merchant marine, with permanent navy, army and air force personnel.

The question I ask in that regard is this. Is anything being done to-day to the end that before the war is over there will be a plan in that regard? I do not think that is looking too far ahead, for concentration now on the matter of rehabilitation will prevent confusion when the war is over. I realize that no permanent plans can be made; we do not know as yet what will be the course of events. The future must unfold; but the men who serve, the men who have received the technical training to qualify them to fill technical positions in the navy, should be given some hope of securing positions in the navy after the war, and of being rehabilitated in that way. There is not a Canadian who is not proud of what has been done in connection with the expansion of our navy during this war, and of the exploits of our sailors. I wish to say to the minister that any suggestions we make from this side of the house are made in that spirit. I would not want him to take the position he seems to be taking this afternoon, that these suggestions are made in a desire to embarrass him or the navy, or with any improper purpose. When I look back over the past four years and think of the suggestions that have come from this side of the house

which were frowned upon and criticized when they were advanced, but later accepted, I do not feel it necessary to apologize on behalf of the opposition for bringing forward constructive ideas and suggestions.

Mr. WOOD: Was that the tin-pot navy?

Mr. HOMUTH: That is just what we would expect to hear from Brant county and from the mentality representing it.

Mr. DIEFENBAKER: I am not going to answer that remark. If that is the hon. member's contribution to this serious debate I have nothing more to say.

Mr. MACDONALD (Kingston City): The matter to which the hon. member referred last year, namely, insurance for service men, has been under consideration chiefly, I think, by the pay experts of the services, who have studied the United States system and various alternatives. I must tell my hon. friend frankly however, that as yet there has been no decision as to what type of insurance, if any, we should adopt. The matter is still in the study stage by the three services combined.

Then the hon. member wanted to know the number of men in the naval volunteer reserve with the rank of commander and higher, and also the number of men of the rank of captain or higher who were retired in the last year. Probably it will take some hours to secure that information; however, I shall be glad to get it and place it on record for my hon. friend. Then he wanted to know if in the navy there was any policy in regard to retirements similar to that referred to by the minister for air. Beyond the retiring ages fixed by naval regulations—

Mr. DIEFENBAKER: What are those ages?

Mr. MACDONALD (Kingston City): They vary according to rank. In the executive branch the age runs from forty-five to sixty-five; in the engineering branch it runs from forty-five to sixty and, in the accounting branch from fifty to sixty, depending on rank. Beyond these age limits we have no arrangement in the navy as to retirement.

Mr. DIEFENBAKER: Is the retirement automatic in the various age groups?

Mr. MACDONALD (Kingston City): Yes.

My hon. friend then spoke of rehabilitation, and I agree with what he said. I think he had in mind particularly a determination now of the size the navy should be after the war, so that those men who might wish to choose the navy as a career could adopt that type of rehabilitation, if I may put it in that way. The only fixed figure we have as to naval strength shows a total of about 8,700. That was the figure laid down and agreed to by the government in 1941; but, as I pointed out the other day, the staff have prepared various plans showing different strengths for the navy after the war. In most cases the strength suggested exceeds 8,700. It is impossible, I think, to say at this moment exactly what will be the strength of the navy after the war. I hope it will be reasonably strong, reasonably large in number and reasonably adequate for the purposes the Canadian navy might have to serve, but we have not gone beyond that figure. I think that is the only figure that has been laid down by any of the three services; I do not believe the air force or the army have endeavoured as yet to fix definitely what will be their post-war strength.

Mr. HARRIS (Danforth): I should like to pay tribute to the way in which the youth of Canada rallied to the navy at the advent of war. Very often the utterances we hear from the government side of this chamber might lead one to think all this has been done through the navy department itself, but in my opinion that department is being pushed on by the youth of this country who are so anxious to serve in that branch of the service. I congratulate the hon. member for Brandon, who made some observations in regard to graduates of the sea cadet school in that city, many of whom had never seen salt water before joining the navy. I recall that on one occasion I was grounded in Regina when passing through on a plane, and on that Sunday I had the pleasure of seeing in the Presbyterian church across from the hotel an exercise which was being held by four hundred sea cadets of that city. Perhaps ninety-nine per cent of the enthusiastic youth of Canada who enlisted in the navy had never before seen salt water; yet there is something in their make-up which makes them want to serve, and they are doing something really fine for Canada.

I rose particularly to say that we in Toronto have a large enrolment in the naval services. Their exploits and the work they are doing certainly deserves mention in this honourable chamber. Unfortunately in Toronto we do not have a headquarters for naval work. Executives, and those charged with responsibility, find themselves in rented quarters. Some space is given without cost. I would ask the minister to see that that important centre in Ontario may have a headquarters for the navy.

Toronto has given about three and a half acres of land close to the waterfront in the westerly section of the city, near the exhibition grounds. Then, in the eastern portion there is also to be given to the unit looking after sea cadets another strip of ground without cost to the department. That ground, at Kew beach, is bounded on the east side by Kippendavie avenue and on the west by Kenilworth avenue.

We shall be maintaining naval services after the war, and we should have a headquarters in Toronto. I am hopeful that, as to-day, we may train our boys in the sea cadet movement. At present those boys are being trained in school and church basements, or whatever space can be secured. The supervision they receive is the best, but the facilities for training and the space provided are not at all adequate.

Toronto is peculiarly located. It has some sixteen miles of waterfront, the population being placed east, west, and north, with the lake to the south. It is my opinion that the westerly section of Toronto could be served by a headquarters building, provided that building had one or two decks in which the boys could be trained. The present quarters are located some twelve or fourteen miles away from a large section of the city east of the Don river, where there are some 250,000 inhabitants. People from that area would have to travel the entire width of the city to reach the west end. So that when the vote is before the committee for the headquarters in Toronto, with respect to the three and a half acres in the westerly section, I would ask the department to give consideration to establishing in the easterly section at least one or two decks in which the sea cadets might properly be housed and cared for, so that boys in the eastern part of Toronto might have proper training.

I am hopeful that the minister will make some definite statement this session as to the policy of the department. The matter is now before the city council of Toronto. Within the last two or three weeks representations were made by His Worship the Mayor asking what the attitude of the department was with respect to a headquarters in that city. When they are considering those plans I suggest something must be done for the sea cadets. One or two years after joining the cadet movement those boys find their way to the naval services, and we must do everything we possibly can to help them in that regard.

[Mr. J. H. Harris.]

Mr. MacINNIS: Thus far I have not taken part in the debate. I am, however, constrained to say something because of the speeches made this afternoon. I was impressed, as I think all hon. members were, with the very fine statement the Minister of National Defence for Naval Services was able to make in respect of the organization of the navy, and the good work it is doing. I have spoken to many men who have received technical training with the navy since the beginning of the war, and all have been high in their praise of the quality of that training. The more thoughtful ones, however, were wondering to what use the training could be put when the war is over. Before the war they found themselves in dead-end occupations, and they are wondering if they will have to go back to those occupations or none at the end of the war.

I do not believe the answer to that question can be decided altogether by the size of our navy after the war. If I understood the hon. member for Lake Centre correctly, he said that some people in Canada were talking about a two-ocean navy. He did not explain exactly what a two-ocean navy was, and I do not know what the term means. I believe the size of our navy when the war is over will depend upon the obligations we shall assume in the post-war period for the maintenance of world peace. If any organized attempt is to be made to maintain world peace at the close of the war, as I believe there should be and must be if we are to avoid other wars, then undoubtedly Canada will have to assume her share in that regard. We shall have to be prepared to send armed forces, if necessary, to put down aggression, after a decision has been made that aggression exists. I agree with the minister that that cannot be decided to-day, nor can it be decided until we know what post-war conditions will be.

I hope that we may so arrange our economy in Canada that we can harness the energy of the young men in the various armed services and in industry, and give them social objectives that will be as strong as the national objectives they were given in preparing themselves for war. If we do not do that there is very little hope that they will be any better off after the war, regardless of the size of our navy, than they were before the war when we had practically no navy at all.

Mr. ROSS (St. Paul's): I was keenly interested in what was said a few moments ago by the hon. member for Vancouver East. I

hope, however, that if we ever find ourselves going into another war we shall not be in the same position we were in when we entered this one. In passing, may I say that one of the reasons why we were unprepared for the present war was the attitude of hon. members in the party to which the hon. member belongs. Pacifist expressions came from them. Every time estimates were before the committee, hon. members in that group were trying to cut them down. It was only because of the real understanding by men in the Royal Canadian Navy at that time that we did have a nucleus which, at the beginning of this war, was able to expand to such a great extent.

The hon. member for Danforth has just referred to establishing a naval headquarters at Toronto. I agree with him, but I think we must go farther than merely having a headquarters at that point. As I have said before in the committee when discussing the estimates, the people of Toronto have always been keen in their interest in the navy. My suggestion is that we should have not only a headquarters, but something better than that. I say that we should have some real, fighting ships. Perhaps they would not be able to carry guns, but we could have those ships, to be used for training the young men who want to enter the navy. In that way we would have preparedness, and the youth of our country would be trained on real ships.

While I do not believe that we have any desire to detract attention from the winning of the war, at the same time some plans must be laid for after the war. Many men who have never been on ships before, will, after the war is over, not want to go back to farming or various other occupations but will prefer to sail on ships. Has any planning been done in connection with our merchant marine? There is no doubt that with its great lakes and two oceans Canada should have a great merchant marine. We should be able to have our ships operating from Canada to all the ports of the globe, thus presenting great opportunities for a livelihood to men who will be coming out of the navy when the war ends. It is not beyond the bounds of possibility that the St. Lawrence great waterway may become an all-winter route to the sea. Certainly it will have access to the sea for longer and longer periods as the years go by. There should be an opportunity for the men who have served in the navy to enter the merchant marine after the war and make it their life work. Can the minister tell us what planning has been done along that line?

The hon. member for Danforth spoke of the naval barracks which are to be constructed in Toronto and made certain suggestions. Would the minister give us a full outline of what is proposed?

Mr. MacINNIS: Mr. Chairman, I wish this group had the great influence which the hon. member for St. Paul's implies we have or had. It is amazing how a party of seven members out of the 245 could block necessary military preparations if such preparations were necessary, and I may have something to say about that later. But now may I draw to his attention that the smallest appropriation for military services ever voted by parliament within my memory, was voted when the hon. member's own party was in office between 1930 and 1935. At that time his party were, if I remember correctly—and I have been so told on many occasions by people who ought to know—so intent on building up proper armed services in order that this country could meet the world single-handed, that the men in the militia had even to buy their own shoes and other equipment. It was under the Bennett government also, I believe, that what little air force we had was scrapped. This group was not responsible for that. Other conditions arose between 1930 and 1935, and no action was taken to meet them. There was a very serious unemployment situation in this country. Was it because of opposition from this group that nothing was done for the unemployed? Was it because of opposition from this group that when the war came, many people were in such poor physical condition that they were not fit for military service?

The CHAIRMAN: Order. I cannot see how that comes under this item. Armaments might be in order, but not unemployment.

Mr. MacINNIS: Possibly the Chairman is right, but if the hon. member for St. Paul's is to be answered properly I have to deal with these matters in an extensive way.

Mr. ROSS (Souris): On the proper item.

Mr. MacINNIS: We cannot do it on the proper item because hon. members are too vulnerable to raise these matters when the proper item comes, and they are vulnerable on this item, too. I ask them, before they blame this group, to tell the committee why they did not do the things they now say should have been done, when they had the majority to do it during the years they were in office.

Mr. ROSS (St. Paul's): I just want to say in reply that it was because of the pacifist preaching of my hon. friend's group in this country that we were unprepared for war.

The CHAIRMAN: Shall the item carry?

Mr. ROSS (St. Paul's): I should like to have an answer to my question about the naval barracks in Toronto.

Mr. MACDONALD (Kingston City): The question would come more properly under another item, but I can answer my hon. friend now. We have decided to build a naval barracks in the city of Toronto, as was announced last Thursday. I should hope that the sea cadets, as is customary in most places, would have certain facilities in that headquarters. I sympathize with the hon. member for Danforth whose sea cadet corps, I understand, is rather too far away to be able to make full use of the facilities of the new barracks, and he suggested that we might perhaps establish some sort of headquarters on the east side of Toronto. I must tell my hon. friend that we have not in mind at the moment the building of a second barracks or headquarters for the naval service in Toronto. As to the sea cadets we have never endeavoured in the naval service to build special facilities for them, but we have always been happy to make available to them any buildings and facilities that we had. In some cities, like Montreal for instance, the Navy League raised a certain sum of money and was able to build a most handsome addition to an existing building for their sea cadets. I am sorry to have to tell my hon. friend that as far as the navy is concerned I do not think we could undertake, apart from providing some accommodation in the barracks, to build or otherwise acquire any accommodation for the sea cadets, much as I am interested in the movement and deeply as I appreciate the good work the movement is doing throughout Canada.

Item agreed to.

DEPARTMENT OF NATIONAL DEFENCE FOR AIR

The CHAIRMAN: I understand that the parliamentary assistant to the Minister of National Defence for Air has some statements to make.

Mr. MACMILLAN (Queens): Mr. Chairman, with the consent of the committee I should like to place on *Hansard* the answers to certain questions which were asked during the discussion of estimates of the Minister of National Defence for Air (Mr. Power). The leader of the opposition (Mr. Graydon) asked a question with regard to sergeant-pilots on leave without pay at civilian operated schools. His questions and the answers are as follows:

Question:

1. How are sergeant-pilots chosen to be on leave without pay for civil-operated schools?
2. What is the basis?
3. How many of them are there?

Answer:

1. Staff pilots on leave without pay are now employed at air observers schools only. Procedure for choosing staff pilots is as follows:

A request is received from the manager of an air observers school for a certain number of pilots. Instructions are issued by air force headquarters to the commanding officers of secondary flying training schools to select this number of suitably trained graduates. By "suitably trained" is meant trained on twin-engine aircraft and above average in navigation. Personnel so selected by their C.O.'s are posted to the air observers schools on service strength. If they prove satisfactory, and acceptable to the civilian manager, after a reasonable period of service, they are requested to make application through the R.C.A.F. chief supervisory officer at the school and the civilian manager to be released on leave without pay. The application is reviewed at air force headquarters, and if satisfactory, the pilot is struck off strength on leave without pay.

Occasionally, the civilian manager of an air observers school will request the services of a specific pilot who has been employed on staff or instructional duties at an R.C.A.F. training unit, and who has a large number of flying hours to his credit. Each of these cases is reviewed strictly on its merits, with due regard for the individual's value to the R.C.A.F. in that capacity at that particular time.

All pilots on leave without pay at civil-operated schools are subject to immediate recall at any time.

2. Answered in question 1.

3. Figures for sergeant-pilots alone are not immediately available. The total number of staff pilots on leave without pay at eight civil-operated air observer schools at 29th February, 1944, was 596. A very few might be officers, the remainder being non-commissioned officers.

The hon. member for Peterborough West (Mr. Fraser) asked a question with regard to discharges and retirements, and the medical reasons therefor. The answer is as follows:

Discharges and Retirements—Medical Reasons
September, 1939-February, 1944, inclusive

1. A total of 7,872 R.C.A.F. personnel have been medically boarded ApBp (medically unfit for any form of service) from September, 1939, to February, 1944, both inclusive. Most of these personnel have already been discharged or retired—a few cases are still pending.

2. Table I provides a breakdown of the 7,872 cases by diagnosis for male and female personnel separately.

Table I

Approved Medical Boards—ApBp—R.C.A.F. Personnel
September, 1939-February, 1944, Inclusive

Diagnosis	R.C.A.F. (Male) No.	%	R.C.A.F. (W.D.) No.	%	Total Number
Nervous and mental disorders	2,392	32·2	196	44·0	2,588
Diseases of digestive system	849	11·4	14	3·1	863
Foot conditions	281	3·8	13	2·9	294
Ear conditions	213	2·9	7	1·6	220
Injuries	487	6·6	13	2·9	500
Eye conditions	213	2·9	9	2·0	222
Respiratory diseases	609	8·2	22	4·9	631
Heart, arteries and rh. fever	689	9·3	28	6·3	717
Hernia	114	1·5	1	0·2	115
Tuberculosis (all forms)	355	4·8	24	5·4	379
Arthritis and rheumatism	232	3·1	3	0·7	235
Other diseases and conditions	992	13·3	116	26·0	1,108
Total	7,426	100·0	446	100·0	7,872

3. The figures in table I include both officers and other ranks.

The hon. member for Souris (Mr. Ross) asked a question with regard to airframe overhaul contractors. The answer is as follows:

Overhaul Contractors.

In answer to the House of Commons query regarding the number of civilian contractors engaged in overhaul and repair of aircraft for the R.C.A.F. the following list shows:

(a) Airframe overhaul contractors
(b) Engine overhaul contractors
(c) Miscellaneous repair contractors.

(a) Airframes

Aircraft Repair Ltd., Edmonton, Alta.
Canadian Pacific Air Lines, Vancouver, B.C.
Canadian Car & Foundry Ltd., Amherst, N.S.
Central Aircraft Ltd., Crumlin, Ont.
Clark Ruse Ltd., Dartmouth, N.S.
Clark Ruse Ltd., Moncton, N.B.
Coates Ltd., Vancouver, B.C.
Cub Aircraft Corp., Hamilton, Ont.
Fairchild Aircraft Ltd., Longueuil, P.Q.
Leaven Bros., Toronto, Ont.
M. & C. Aviation Ltd., Prince Albert, Sask.
MacDonald Bros., Ltd., Winnipeg, Man.
Midwest Aircraft Ltd., Winnipeg, Man.
Noorduyn Aviation Ltd., Montreal, P.Q.
Patterson & Hill Ltd., Toronto, Ont.
Prairie Airways, Moose Jaw, Sask.
St. Maurice A/C Repair, Cap de la Mad., P.Q.
T.C.A., Malton, Ont.

(b) Engines

Aircraft Repair Ltd., Edmonton, Alta.
British Aero Engines Ltd., Montreal, P.Q.
British Aero Engines Ltd., Sea Island, B.C.
Canadian Airways Ltd., Winnipeg, Man.
Canadian Pratt & Whitney Ltd., Longueuil, P.Q.
Canadian Wright Ltd., Montreal, P.Q.
Central Aircraft Ltd., Crumlin, Ont.
DeHavilland A/C of Can. Ltd., Toronto, Ont.
Laurentian Air Services, Ottawa, Ont.
M. & C. Aviation Ltd., Prince Albert, Sask.
Midwest Aircraft Ltd., Winnipeg, Man.
Ottawa Car & Aircraft Ltd., Ottawa, Ont.
Standard Aero Engines Ltd., Winnipeg, Man.
T.C.A., Winnipeg, Man.
Leaven Bros., Toronto, Ont.

(c) There are 110 firms engaged on overhaul of components such as instruments, electrical equipment, mechanical equipment such as oleo legs, etc., and recapping of tires.

The hon. member for Cape Breton South (Mr. Gillis) asked with regard to the admission price to the theatre at Sydney Air Station. The answer is as follows:

(a) Price of admission is 25 cents. This price was agreed to by station personnel until such time as a loan obtained from outside sources for the purpose of installing the present moving picture equipment has been liquidated.

(b) Revenue from the theatre is intended to cover only operating costs and liquidation of the loan over a reasonable period. If there should be any profit, it becomes part of station non-public funds, to be used for the benefit of station personnel. Price of admission is subject to review from month to month, and no complaints have been received on the station regarding the present admission price.

(c) Present price of admission is not considered exorbitant, as the quality of films shown is comparable to commercial theatres in Sydney, where the admission price is approximately 45 cents.

The hon. member for Lake Centre (Mr. Diefenbaker) asked a question with regard to annotated positions and the number of officers who thereby secure exemption from income tax. The questions and answers are as follows:

1. Q. The minister possibly can give us an answer that will cover the situation by telling us the number of administrative officers who fill annotated positions and who thereby secure exemption from income tax although they are not actually engaged in flying.

A. Only general list positions are annotated and in the event of a non-flying list person filling a general list position which is exempt from income tax, the non-flying list person is not exempt from income tax by reason of the position annotation.

2. Q. And will the minister give the committee a list of the annotated positions?

A. It would take considerable clerical work to complete a list of all annotated positions but it is felt that the following definition of the policy covering position annotations will suffice:

(a) The following positions are annotated:

(i) All general list positions established for aircrew duties.

(ii) The commanding officers of stations where the primary function is flying operations.

(b) The following positions are NOT annotated:

(i) Any position at air force headquarters or the headquarters of a command, group or wing.

(ii) The commanding officers of units whose primary function is not flying, e.g., repair depots, wireless schools, initial training schools, equipment depots, etc.

(iii) General list positions in ground instructional schools or ground instructional sections of a flying school, second in command of stations, or any other positions which do not require the performance of continuous aircrew duties.

Questions were asked by various members with regard to civilian flying schools. The answer is as follows:

Re: Civil Flying Schools

E.F.T.S. When it was decided that flying clubs should be asked to sponsor E.F.T.S. pains were taken to appoint a committee consisting of the most competent and experienced people available. This committee included: Colonel K. S. McLaughlin, then Acting Deputy Minister of National Defence; Air Marshal G. M. Croil, then C.A.S.; Brigadier Orde, Judge Advocate General; Mr. M. A. Seymour, K.C. and Mr. C. W. Nicholl, C.A. as representing the Canadian Flying Clubs Association; Mr. Henry Borden, K.C.; Mr. H. G. Norman, C.A., now Financial Adviser to the B.C.A.T.P. This committee drew up a form of contract as between the Crown and the individual operating companies, in most cases sponsored by the flying clubs. It had no experience to draw upon; yet the form of contract has functioned fairly satisfactorily with the exception that the remuneration proved somewhat generous and took the following form:

(a) Savings on management fee.
(b) Profit per flying hour.
(c) Savings on gasoline and oil.
(d) Savings on crash reserve.
(e) 25 per cent savings on operation and maintenance.

The contract provided for an adjustment between the contractual parties at the end of each 24 weeks period to be based on the experience of the previous 24 weeks.

The schools were originally opened to provide for a pupil population of 48 and all were from time to time increased to a pupil population of 90, 120, 180 or 240.

These increases detracted from the value of the cost of operation experience gained when endeavouring to apply these in adjusting the allowances by the crown.

The various sources of profit or savings which I have mentioned also tended to complicate the situation and this was brought out at the enquiry before the parliamentary committee.

In an endeavour to simplify the situation, the operating companies voluntarily agreed to reduce their flying hour profit from 50 cents to 25 cents and later to eliminate it.

They also agreed to forgo profits or savings on gasoline and oil as well as on their crash reserve. No fees were paid to directors and the only disbursement made out of profit was the 5 per cent dividend on the subscribed capital.

All surplus funds accruing in the hands of the operating companies were invested in non-interest bearing certificates of the Dominion of Canada.

When the contracts were renewed as on the 1st April, 1943, the above concessions were legalized, management was included in operation and maintenance and all savings on operation and maintenance were made divisible as to 80 per cent and 20 per cent between the crown and the companies, instead of 75 per cent and 25 per cent as heretofore.

These concessions or modifications have resulted in considerable savings to the crown. At the same time the subscribed capital of these companies was refunded to shareholders out of surplus in the hands of the companies, thus eliminating the dividend.

The companies have now only one source of profit which is the savings on operation and maintenance and the contract declares ". . . that any savings or profits accruing shall not be distributed and shall be held by the company in a reserve account until the termination of the contract and shall then be paid to a flying club approved by the minister, failing which they shall revert to the crown."

During the operation of these contracts, the pro forma or basis for payment to these companies have been carefully revised at the end of each 24 weeks period and despite the revision downwards per pupil population intake, the companies, through increased efficiency in operation, have continued to make savings, some of them more than others, depending upon the efficiency in operation, the terrain in which they function, etc.

The modifications in the terms and conditions of the contract and the concessions demanded from time to time have been immediately and generously conceded by the operating companies who have declared that they are more anxious to do a good job than to make profits. Their only desire is that upon completion of the contract, each school will be able to hand over

to its sponsoring flying club sufficient funds to rehabilitate its club so that it may in the post-war period continue in advancing civil aviation in Canada.

A special form of charter and by-laws under part II of the Dominion Companies Act have been drawn up and approved by my department under which any club benefiting from these profits must be incorporated and which protect such profits in the hands of the flying clubs from being exploited.

A meeting of managers of all E.F.T.S. was held lately when they agreed to recommend to their directors that all and any profits or savings, accruing from the operation of their school and in turn to their sponsoring flying club, be limited to $5,000 per annum. Resolutions of the board of the various operating companies to this effect are now being received.

Of the 80 per cent savings in operations $1,951,404.40 has actually been returned to the crown and a further $1,250,000 is now available for return, for which demands are being sent out this month, in accordance with the terms of the agreement.

Up to 2nd January last, 38,775 pupils have graduated from E.F.T.S. at an average cost of $911.55 per pupil.

Statement Showing Financial Situation Between Companies Operating Elementary Flying Training Schools and the Crown as on 2nd January, 1944

E.F.T.S. No. of School	Name and address	Excess of allowances over expenditures	80% returnable to Crown	Balance remaining (see Note 3)	Returned to Crown on account of 80%
		$ cts.	$ cts.	$ cts.	$ cts.
2	Thunder Bay Air Training School, Ltd., Fort William, Ont.	208,546 62	166,837 30	41,709 32	108,896 93
4	Windsor Mills Flying Training School, Ltd., Windsor Mills, P.Q.	96,409 82	77,127 85	19,281 97	10,000 00
5	High River Flying Training School, Ltd., High River, Alta.	342,896 86	274,317 49	68,579 37	150,000 00
6	Northern Saskatchewan Flying Training School, Ltd., Prince Albert, Sask.	205,669 53	164,535 62	41,133 91	73,000 00
7	Windsor Flying Training School, Ltd., Windsor, Ontario.	184,276 48	147,421 18	36,855 30	95,000 00
9	St. Catharines Flying Training School, Ltd., St. Catharines, Ont.	257,487 59	205,990 07	51,497 52	146,028 84
10	Hamilton Flying Training School, Ltd., Pendleton, Ontario.	186,623 22	149,298 57	37,324 65	40,431 60
11	*Quebec Airways (Training) Limited, Cap de la Madeleine, P.Q.	284,528 47	227,622 77	56,905 70	89,332 57
12	Huron County Flying Training School, Ltd., Goderich, Ontario.	351,883 43	281,506 74	70,376 69	169,612 92
13	Eastern Ontario Flying School, Limited, St. Eugene, Ontario.	234,963 37	187,970 70	46,992 67	55,000 00
15	Regina Elementary Flying School, Limited, Regina, Sask.	387,123 56	309,698 85	77,424 71	215,000 00
17	Nova Scotia Flying Training School, Ltd., Stanley, N.S.	109,791 73	87,833 38	21,958 35	.....
19	Virden Flying Training School, Ltd., Virden, Man.	322,347 83	265,878 26	66,469 57	125,949 28
20	Ontario County Flying Training School, Ltd., Oshawa, Ont.	224,521 28	179,617 02	44,904 26	76,215 87
8 and 24	†Vancouver Air Training Company, Limited, Abbotsfortd, B.C.	269,343 22	215,474 58	53,868 64	.....
31	Malton Flying Training School, Ltd., De Winton, Alberta—now— De Winton Flying Training School, Ltd., De Winton, Alta.	250,933 27	200,746 62	50,186 65	110,000 00

Statement Showing Financial Situation Between Companies Operating Elementary Flying Training Schools and the Crown as on 2nd January, 1944—*Con.*

E.F.T.S. No. of School	Name and address	Excess of allowances over expenditures	80% returnable to Crown	Balance remaining (see Note 3)	Returned to Crown on account of 80%
		$ cts.	$ cts.	$ cts.	$ cts.
32	Edmonton Flying Training School, Ltd., Bowden, Alta.	215,042 95	172,034 40	43,008 55	128,936 39
33	†Boundary Bay Flying Training School, Ltd., Caron, Sask.	476,920 32	381,536 26	95,384 06	155,000 00
34 now 25	Central Manitoba Flying Training School, Ltd., Assiniboia, Sask.	188,410 97	150,728 78	37,682 19	133,000 00
35 now 26	Miramichi Flying Training School, Ltd., Neepawa, Man.—now— Moncton Flying Training School, Ltd., Neepawa, Man.	251,584 77	201,267 82	50,316 95	70,000 00

* All Savings revert to the Crown.

† Vancouver Air Training Co., Ltd., and Boundary Bay Flying Training School, Ltd., have undertaken to surrender all Savings accruing from the operations of No. 8, Vancouver, B.C., No. 18, Boundary Bay, No. 33, Caron, and No. 24, Abbotsford, B.C., with the exception of $30,000.00 set aside for Aero Club of B.C. (sponsoring Club) subject to approval of Minister.

Note (1)—From the surplus arising through excess of Allowances over Expenditures the subscribed Capital of the Operating Companies has been refunded and necessary working capital provided.
Any surplus funds remaining in the hands of the Operating Companies over Working Capital requirements varying with the size of the School are invested in Dominion of Canada Non-Interest Bearing Certificates.

Note (2)—No. 1—Malton was transferred to No. 31 E.F.T.S. De Winton, Alta.
No. 3—London, Ont., closed 3rd July, 1942.
No. 8—Vancouver, was transferred to No. 24 E.F.T.S. Abbotsford, B.C.
No. 14—Portage la Prairie, Man., transferred to No. 25 E.F.T.S. Assiniboia, Sask.
No. 16—Edmonton, Alta., transferred to No. 32 E.F.T.S. Bowden, Alta.
No. 18—Boundary Bay, B.C., transferred to No. 33 E.F.T.S. Caron, Sask.
No. 21—Chatham, N.B., transferred to No. 26 E.F.T.S. Neepawa, Man.
No. 22—Ancienne Lorette, Que., closed 3rd July, 1942.

Note (3)—Out of these sums the Companies have paid Income Tax and dividends at the rate of 5% per annum up to 31st March, 1943 (date of Renewal and Modification of Agreement) when subscribed capital was refunded out of surplus earnings. Any residual amount, in accordance with paragraph 5 of Schedule II of Agreement, "..... shall not be distributed and shall be held by the Company in a reserve account until the termination of the Contract and shall then be paid to a Flying Club approved by the Minister, failing which it shall revert to the Crown."

24th May, 1943.

ELEMENTARY FLYING TRAINING SCHOOLS UNDER THE B.C.A.T.P.

School	Name and Address	T.C.	Manager	Secretary-Treasurer	President
No. 2 E.F.T.S.	Thunder Bay Air Training School, Limited, Fort William, Ontario.	2	H. F. Dougall.....	.....	H. F. Dougall
No. 4 E.F.T.S.	Windsor Mills Flying Training School, Limited, Windsor Mills, P.Q.	3	J. K. M. Green.....	B. N. Holtham.....	A. S. Dawes
No. 5 E.F.T.S.	High River Flying Training School, Limited, Airport, High River, Alberta.	4	D. K. Yorath.....	H. G. Richardson..	D. K. Yorath.
No. 6 E.F.T.S.	Northern Saskatchewan Flying Training School, Ltd., P.O. Box 810, Prince Albert, Saskatchewan.	2	E. A. Rawlinson....	.....	H. M. Sibbald
No. 7 E.F.T.S.	Windsor Flying Training School, Limited, Windsor Airport, Windsor Ontario.	1	A. A. J. Pelzer.....	.....	W. H. Cantilon
No. 9 E.F.T.S.	St. Catharines Flying Training School, Limited, P.O. Box 157, St. Catharines, Ontario.	1	F. S. Pattison.....	A. E. Parsons.....	M. A. Seymour.

[Mr. Macmillan.]

ELEMENTARY FLYING TRAINING SCHOOLS UNDER THE B.C.A.T.P.—*Con.*

School	Name and Address	T.C.	Manager	Secretary-Treasurer	President
No. 10 E.F.T.S.	Hamilton Flying Training School, Limited, Pendleton, Ontario.	3	G. Moes.....	G. V. Sanders.....	S. S. MacNaughton
No. 11 E.F.T.S.	Quebec Airways (Training) Limited, Cap de la Madeleine, P.Q.	3	E. S. Gronau.....	.....	D. A. Clarke
No. 12 E.F.T.S.	Huron County Flying Training School, Limited, Sky Harbour Airport, Goderich, Ontario.	1	J. R. Douglas.....	B. C. Straughan....	W. L. White
No. 13 E.F.T.S.	Eastern Ontario Flying School, Limited, St. Eugene, Ontario.	3	W. Davidson.....	C. K. Swerdfager...	
No. 15 E.F.T.S.	Regina Elementary Flying School, Limited, P.O. Box 86, Regina, Saskatchewan.	4	G. C. Rooke.....	M. I. Chase.....	G. C. Rooke
No. 17 E.F.T.S.	Nova Scotia Flying Training School, Limited, Stanley, Hants County, N.S.	3	W. H. Stuart.....	A. G. Buchanan....	C. W. Stairs
No. 19 E.F.T.S.	Virden Flying Training School, Limited, Virden, Manitoba.	2	J. R. Morgan, Managing Director	.....	W. E. Sellers
No. 20 E.F.T.S.	Ontario County Flying Training School, Limited, Oshawa, Ontario.	1	S. R. Bernardo.....	W. Turnbull.....	Alex. G. Storie
No. 24 E.F.T.S.	Vancouver Air Training Company Limited, 555 Burrard Street, Vancouver, B.C.	4	L. J. Martin.....		
No. 31 E.F.T.S. (R.A.F.)	Malton Flying Training School, Limited, De Winton, Alberta.	4	W. M. Alexander....	T. E. Mason.....	C. E. French
No. 32 E.F.T.S. (R.A.F.)	Edmonton Flying Training School, Limited, Bowden, Alberta.	4	D. M. Plunkett.....	.....	D. M. Plunkett
No. 33 E.F.T.S. (R.A.F.)	Boundary Bay Flying Training School, Limited, Caron, Saskatchewan.	4	L. J. Martin..... Asst. C. J. Clark.	.....	Major Austin Taylor
No. 34 E.F.T.S. (R.A.F.)	Central Manitoba Flying Training School, Limited, Assiniboia, Saskatchewan.	4	C. W. Nicholl.....	J. J. Pope.....	C. W. Nicholl
No. 35 E.F.T.S. (R.A.F.)	Miramichi Flying Training School, Limited, Neepawa, Manitoba.	2	J. W. Humphrey....	R. Mills.....	Wm. V. Creoghan

AIR OBSERVER SCHOOLS UNDER THE B.C.A.T.P.

No. 1 A.O.S.	Dominion Skyways (Training), Limited, Malton Airport, Malton, Ontario.	1	W. A. McLeod.....	W. R. Stephens, A/Treas.	L. B. Unwin
No. 2 A.O.S.	Canadian Airways (Training), Limited, Municipal Airport, Edmonton, Alberta.	4	W. R. May, O.B.E., D.F.C.	A. L. Sawle, A/Treas.	L. B. Unwin
No. 4 A.O.S.	Leavens Bros. (Training), Limited, Crumlin Airport, London, Ontario.	1	C. R. Leavens.....	D. M. Forrester, Treas.	C. R. Leavens
No. 5 A.O.S.	Winnipeg Air Observer School, Limited, P.O. Box 3098, Winnipeg, Manitoba.	2	D. S. Ormond.....	A. M. Olafson, A/Treas.	L. B. Unwin
No. 7 A.O.S.	Portage Air Observer School, Limited, Portage La Prairie, Manitoba.	2	W. L. Parr, C.A....	C. W. Hanna, A/Treas.	L. B. Unwin
No. 8 A.O.S.	Quebec Airways (Observers), Limited, Ancienne Lorette, P.Q.	3	G. R. Beck.....	S. J. Billings, A/Treas.	L. B. Unwin
No. 9 A.O.S.	Dominion Skyways (Observers), Limited, St. Johns, P.Q.	3	W. Woollett.....	G. Moffit, A/Treas.	L. B. Unwin
*No. 10 A.O.S.	Northumberland Air Observer School, Limited, Chatham, N.B.	3	R. H. Bibby.....	A. B. MacKinnon...	G. P. Birchall, L.L.D.

* Half Size School (280).

REVISED: 6th December, 1943.

Mr. STIRLING: Mr. Chairman, I would draw your attention to the fact that this is a most unusual procedure. Just a moment or two before six o'clock these questions are being answered, or rather the answers are being placed on *Hansard*. I would imagine that it might be well that the hon. member who asked a question might want to ask something further with regard to it. We are in the midst of a discussion of another minister's estimates when this matter is introduced. I wonder whether provision can be made for an opportunity when the Minister of National Defence for Air is in the house, even though the Minister of National Defence for Naval Services might be piloting his estimates through the committee at the time, for certain further questions to be asked if it is found necessary.

The CHAIRMAN: I would have no objection.

Mr. MacINNIS: To put these answers on *Hansard* requires the unanimous consent of the house. This is a most unusual way to answer questions that have been asked during the discussion of a minister's estimates. We are following the procedure now of answering questions put on the orders of the day, when a written answer is submitted. I have never known this procedure to be followed before with questions asked on items of estimates.

Mr. POWER: The only point is that I am between the devil and the deep sea to know how long I am to wait for an opportunity to answer the questions that have been put to me. I have other business to do and so has my assistant. I am quite willing to come into the house at any time and read the answers into *Hansard*. But these were questions asked by members of the house. If the house wants them read, I have no objection. I agree that it is a most unusual procedure, but it was done simply to expedite the business of the house.

Mr. DOUGLAS (Weyburn): Yesterday the hon. member for Lake Centre asked the Minister of National Defence for Air a question with regard to the closing of airports and the basis on which this is being done. It would save a lot of discussion and correspondence if the minister would make a statement on the matter during the course of this debate.

Mr. POWER: I am willing to commence all over again at any time, if hon. members want to start up again on my estimates, because there is so much good for me to explain to the people of Canada about the air force.

I am in the judgment of the committee as to putting these answers on *Hansard*, but I think the committee will readily agree that I should not be asked to wait day after day for the moment that some hon. members might agree would be fitting for me to give my answers to the questions that have been asked. I am willing to suggest that the answers stand over and be read into the record to-night or at any other time that is convenient, or if the committee is willing to give its consent to their being placed in the record, the questions can be asked later. I have no objection, but I should like to know when the questions are going to be asked so that I can be here.

Mr. PERLEY: Is the minister not going to make a further statement with respect to the closing of some of these airports? I understood that on March 20 he would.

Mr. POWER: I had not intended making any statement in particular. I have made three so far and I shall have to look them up to see that they do not contradict one another. I have on three occasions told the committee that schools were going to be closed. I have no objection to saying it again at any time, but I hope the committee will not ask me to enter into a discussion of the matter when each individual member asks questions as to the reasons for closing any particular schools. Let me say, however, that there is no reflection on any community or on the management of any school, nor is it intended that anybody should be offended by our closing schools. I can say that.

Mr. PERLEY: No, but there was a statement the other night about closing twenty-eight schools throughout Canada, and telegrams are coming—I have one in my hand—asking for information. I should like to know if we are to get that information.

Mr. POWER: If the committee wishes to discuss it I shall be only too willing. I have no objection at all, at any time, to having a full discussion. I should like every hon. member who feels himself aggrieved by the closing of any school to make a speech. As I said two years ago, every hon. member who thought there should be an air-training establishment in his constituency could make a speech about it. That would satisfy everyone. Similarly everyone who thinks the school in his constituency should not be closed might make a speech, and I would answer all.

Mr. PERLEY: It is the disposition of the properties they are asking about.

Mr. STIRLING: I raised the question not from the point of view of making objection to these answers being placed on *Hansard* but to call attention to the fact that we are setting a precedent. The matter arose in this way. At the close of the discussion on the estimates of the minister for air, rather than hold the whole matter over, he consented to give answers to certain questions, possibly during the discussion of the estimates of the minister for naval services, and that was consented to, in a very cooperative spirit, I may say. We did not want to hold the minister longer. I now call attention to the fact that this very unusual procedure is being followed, and I think that during further discussion of the naval estimates, if it be convenient for the minister for air to be in his seat, those whose questions have been answered might have an opportunity of asking supplementary questions if they desire to do so. I do not know what these answers contain. I shall know when I read them in *Hansard.*

Mr. POWER: The minister for naval services says I should not cross his bows and I do not want to.

Mr. STIRLING: It was that minister's own suggestion that the hon. gentleman should cross his bows.

Mr. POWER: I am quite agreeable to the suggestion of the hon. member, and if the committee desires we can withdraw the request for consent of the committee. If the committee would prefer to look at the answers and then ask further questions—

Mr. STIRLING: I suggest that these answers be allowed to go on *Hansard* and at some time convenient to the minister for air and to the minister for naval services, supplementary questions can be asked.

The CHAIRMAN: This is an unusual bill and certain procedure has been adopted which is unusual, to say the least, though unanimous consent has been given in this instance. This has been a precedent, and I would point out that the answers were given in writing and put on *Hansard,* unlike other instances in which answers had been given orally.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Progress reported.

MUTUAL AID

TABLING OF AGREEMENTS BETWEEN CANADA AND THE UNITED KINGDOM, THE U.S.S.R, AND AUSTRALIA

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, by arrangement with the other governments concerned, I desire to lay on the table at this time, copies of general Mutual Aid agreements which have been concluded between the government of Canada and the governments of the United Kingdom, the Union of Soviet Socialist Republics and the Commonwealth of Australia. The agreements with the United Kingdom and Soviet governments were signed on February 11 and the agreement with Australia was signed on March 9. Similar agreements are in process of negotiation with other governments or authorities receiving supplies from Canada in significant volume under the Mutual Aid Act, notably China and the French committee of national liberation.

These agreements set forth the general terms and conditions under which war supplies are being transferred under the Mutual Aid Act to the three countries which have so far received the largest quantity of such supplies from Canada. When the Mutual Aid legislation is before the house there will be an opportunity for discussing the terms of these agreements, if the house so desires. At this time I wish only to give a general explanation of their purpose and contents.

The preamble of the Mutual Aid Act declares that "it is essential to the defence and security of Canada and to the cause of world freedom that Canada should make the utmost contribution to the victory of the united nations". It continues that "it is necessary that the products of Canadian war industry be made available not only for use by Canadian forces, but also to other united nations, in accordance with strategic needs, in such manner as to contribute most effectively to the winning of the war." The preamble concludes that "it is expedient that the conditions upon which Canadian war supplies are made available to other united nations should

not be such as to burden post-war commerce, or lead to the imposition of trade restrictions, or otherwise prejudice a just and enduring peace". Since early in the war, the government has taken the position that the accumulation of large war debts was contrary to the public interest. This policy has been endorsed by parliament on several occasions. It is to be noted that a similar policy was adopted by the government of the United States with the passage of the Lend-Lease Act on March 11, 1941, nearly nine months before the United States entered the war. The United Kingdom, which is the third large provider of munitions and war supplies for the use of other united nations, has pursued a parallel policy in providing supplies to allied goverments unable to pay for them.

These agreements set forth the general terms and conditions under which effect is being given to our policy. They are in some respects parallel to the Lend-Lease agreements which have been concluded by the government of the United States with many of the goverments receiving supplies from that country under the Lend-Lease Act. It is to be remembered, however, that the Lend-Lease Act was adopted when the United States still retained her neutrality, whereas the Mutual Aid Act was passed when Canada had been at war for over three and a half years. The Lend-Lease Act was based on the conception that the defence of the United States would be furthered by the provision of supplies on other than a cash basis to countries at war with the axis. The Mutual Aid Act was based on a realization that the provision of materials to the common cause was no less vital and no less a duty than the provision of fighting men.

The preamble of these agreements sets forth their purposes in language similar to that used in the preamble of the Mutual Aid Act which I have already quoted. I do not propose to analyse the agreements at any length. They are designed to make clear that the recipient governments accept these purposes and will cooperate in their fulfilment. Article II of each agreement contains a pledge of reciprocal aid to Canada. Article X (article IX in the Soviet agreement) contains a mutual undertaking to pursue international economic policies designed to implement the economic objectives defined in the Atlantic charter and accepted by all the united nations, policies which are reflected in the far-seeing philosophy of the Mutual Aid Act. These policies will make it possible for Mutual Aid to prove its post-war value in enabling trade to thrive without the barriers which huge war debts would have imposed.

It has been our purpose in instituting the Mutual Aid procedure to leave at the end of the war no indeterminate obligations arising from the provision of war supplies by Canada, which would have to be settled by subsequent negotiations. By article VI of our Mutual Aid agreements it is laid down that the government of Canada will not require the recipient government "to redeliver to the government of Canada any war supplies delivered under this agreement except as specifically provided" in articles VII, VIII, and IX. Article VII provides that title to cargo ships furnished under Mutual Aid shall remain with the government of Canada. Article VIII provides that supplies which, at the end of hostilities in any major theatre, have not yet reached their destination may revert to Canadian ownership. Finally, article IX provides that in certain circumstances the Canadian government may request the transfer of specified types of supplies still serviceable at the end of the war to other users, for relief purposes or for Canadian forces still serving overseas, and that we may also ask for the return to Canada of serviceable aircraft and automotive equipment if required for use at home.

The agreements with the governments of the United Kingdom and Australia are identical in substance. I should explain to the house the reasons for certain minor differences between these two agreements and the agreement with the Soviet government.

Since the German attack on the Soviet Union the war supplies provided to the Soviet government by her allies have been settled by a special procedure which is employed in no other case. Annual protocols have been signed between Russia on the one hand and the supplying countries on the other hand, to which are attached schedules listing the stores which each supplying country undertakes to furnish during the period of one year. The parties of the first two protocols were the United States, the United Kingdom and the Soviet Union. Canada is a direct party to the current third protocol which covers the supplies being furnished to Russia during the year which will end on June 30 next. Direct Canadian participation in this third protocol was made possible by the adoption of the Mutual Aid Act at the last session. These protocols are of necessity very secret in character, since they contain information which would be of much value to the enemy.

Article III of the Soviet agreement refers directly to the protocol procedure, and therefore differs somewhat from article III of the other agreements. We have a full opportunity, in the course of the negotiation of the protocol, to secure whatever information is required to support the requests of the Soviet authorities. Article VII in the United Kingdom and Australian agreements is not repeated in the Soviet agreement. It relates specifically to cargo ships, and we have not found it possible to provide the Soviet government with any cargo ships; hence the inclusion of the article in the Soviet agreement is unnecessary. These are the only differences of importance between the agreements.

I now table copies of the agreements.

Mr. GORDON GRAYDON (Leader of the Opposition): May I ask the Prime Minister a question with respect to the statement? Do the agreements cover the—

Mr. BLACKMORE: Louder, now.

Mr. GRAYDON: Of course, that was just a preliminary. Do the agreements which are tabled and about which the Prime Minister has made some comment by way of clarification of certain clauses cover the period from the beginning of our Mutual Aid arrangements as envisaged by the passing of the legislation last year until the end of June? Do they cover not only last year and the current year but the succeeding year which will no doubt be covered by a further vote in the house when the legislation comes up?

Mr. MACKENZIE KING: The agreements relate solely to such matters as have been negotiated under the Mutual Aid Act which was passed at the last session. They do not go into the past. They relate to the present legislation.

Mr. GRAYDON: I realize that, but if we pass legislation at this session having to do with further Mutual Aid will those agreements cover that period?

Mr. MACKENZIE KING: The agreements are of a general nature and do not relate to specific allocations. Some of the agreements will continue to operate, but the country is not committed beyond any appropriations this parliament has made or may make.

Mr. GRAYDON: That was the point I had in mind.

Mr. GREEN: If I may ask one further question, are there agreements with any other nations; for instance, is there one with China?

Mr. MACKENZIE KING: Perhaps my hon. friend missed what I said. There will be two further agreements very shortly, one with China and the other with the French committee of national liberation.

WAR APPROPRIATION BILL

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

The house resumed consideration in committee of a resolution to grant to His Majesty certain sums of money for the carrying out of measures consequent upon the existence of a state of war—Mr. Ilsley—Mr. Bradette in the chair.

DEPARTMENT OF NATIONAL DEFENCE FOR NAVAL SERVICES

2. Pay and allowances, $114,698,835.

Mr. NICHOLSON: When we were on the first item the hon. member for Lake Centre raised the question of promotions. I note that at page 1190 of *Hansard* the Minister of National Defence for Air is reported as having said:

> As I said, there is a thick ceiling of comparatively young men at the top. Through no fault of their own, these men have not been able to see active service, and it was hoped that men who had seen active service would gradually get to the top as they returned from overseas.

And later he said:

> I think the country will agree with me in this—because it is imperative that we show these young men that there is a way through this ceiling by which they can get to the top. That is the general policy.

I could not hear what the minister said in reply this afternoon, but I understood him to say there was no similar policy in his department. I believe the statement made by his colleague has caught the imagination of the people of this country. Many young men in their early twenties have distinguished themselves in the air, and the same thing is true in the naval service. I should think that if some of these young men who have had distinguished service at sea could find it possible to rise to the top, it would be a very good thing for the morale of the whole service. Could the minister make a further statement in regard to the general policy concerning promotions?

Mr. MACDONALD (Kingston City): I do not know that I can add a great deal, except to say that training in the naval service requires a great length of time, I should think probably longer than in either

of the other two services. That is inevitable, from the nature of the work naval officers have to undertake. They have to be trained not merely theoretically, and on land; there is a certain type of training they can get only at sea, through experience. They have to sail under all sorts of conditions, in all kinds of ships, meeting all kinds of weather, in order to get the training to fit them for their tasks. As I said, we have certain age limits in the naval regulations beyond which an officer cannot go, but other than that we have adopted no policy such as the air force seems to have adopted. I do not think I would want to deviate very much from the policy we have followed in the past. I will say to my hon. friend that from time to time officers are discharged from the naval service. It is an unpleasant duty of mine every week, and sometimes several times a week, to sign memoranda declaring that certain officers are no longer required in the naval service, though usually that is for reasons other than age. As I have said, the age factor is governed by the regulations.

Mr. CASTLEDEN: What are the present facilities for giving the ratings actual sea training? Have any ships or destroyers been assigned to that work recently, and what has the minister in that line now on the east and west coasts?

Mr. MACDONALD (Kingston City): I am glad my hon. friend asked that question. For a time we were short in training ships, because every ship that could be put into active service we put on the sea, but now some of the ships are becoming old; some have passed the stage where it pays to repair them, and these are being used as training ships. I do not know the exact number at the moment, though I can get it for my hon. friend; but I know that on the great lakes we have several training ships, not of great size but nevertheless ships in which men can get considerable training in engine work, helm work and all the other work that goes with the running of a ship. On the east coast we have some ships that are a good deal larger; and as time goes on of course the number of training ships will increase almost automatically, because more and more ships will become worn out and useful only for training purposes.

Mr. ROSS (St. Paul's): Are the ships on the great lakes fighting ships?

Mr. MACDONALD (Kingston City): I doubt if any of the ships on the great lakes were ever ships of war in the true sense, but I think some of them are as long as 140 feet. They are fairly large, and men can get a good deal of ship experience on them.

Mr. CASTLEDEN: What has been the disposition of the destroyers which Canada received from the United States, I think in 1940 or 1941? Are any of those being used as training ships now, or are they still in active service?

Mr. MACDONALD (Kingston City): Some of them are being used as training ships.

Mr. CASTLEDEN: The minister could not say how many?

Mr. MACDONALD (Kingston City): No, I have not the figures before me.

Mr. ROSS (St. Paul's): Before the dinner recess I asked the minister whether there was any liaison between the merchant marine and the navy with respect to the post-war period. I realize that at the moment we must put our minds on the war and nothing else, but I was wondering if any plans were being developed along that line.

Mr. MACDONALD (Kingston City): As I have said before, I cannot undertake to speak for the merchant navy, which would come under the Department of Transport. There is no doubt, as my hon. friend well knows, that we have built in Canada a very large number of merchant ships, and after the war at least some of these ships could be used as the nucleus of a merchant marine. To give a direct answer to my hon. friend, however, no policy has been formulated by the government with regard to the creation of a Canadian mercantile marine after the war.

The CHAIRMAN: Shall the item carry?

Mr. MACDONALD (Kingston City): Before the item carries, the hon. member for Edmonton East (Mrs. Casselman) asked a question with regard to subsistance allowances both within and without Canada. I intimated that I thought it would be better to place a table on *Hansard,* because there are a great many figures. With the consent of the committee I should like now to place on *Hansard* a table showing the allowances in lieu of lodgings, provisions, fuel and light, authorized by Canadian naval regulations.

The CHAIRMAN: By unanimous consent of the committee.

Mr. MACDONALD (Kingston City): The table is as follows:

DEPARTMENT OF NATIONAL DEFENCE (NAVAL SERVICE)

Rates of Allowances in Lieu of Lodgings, Provisions, Fuel and Light authorized by Canadian Naval Regulations

Rank or Rating	Canada (See footnotes)		U.S.A.			United Kingdom and Northern Ireland		Newfoundland	West Indies, Bermuda and North American Continent (other than U.S.A. or Canada)	Elsewhere
			Washington		Elsewhere in U.S.A.	London	Outside London			
	(*)	(†)	1st month	Thereafter						
	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.
Rear Admiral and Commodore, 1st Class	4 10	3 10	8 00	7 00	5 00	4 00	3 00	3 00	5 00	4 00
Commodores, 2nd Class	3 85	2 10	8 00	7 00	5 00	4 00	3 00	3 00	5 00	4 00
Captains	3 10	2 10	8 00	7 00	5 00	4 00	3 00	3 00	5 00	4 00
Commanders	2 85	1 85	8 00	7 00	5 00	4 00	3 00	3 00	5 00	4 00
Lieutenant-Commanders	2 60	1 70	8 00	7 00	5 00	4 00	3 00	3 00	5 00	4 00
Lieutenants	2 35	1 70	7 00	6 00	5 00	4 00	3 00	3 00	5 00	4 00
Sub-Lieutenants, Commissioned Officers from Warrant Rank and Subordinate Officers.	2 10	1 70	7 00	6 00	5 00	4 00	3 00	3 00	5 00	4 00
Warrant Officers	1 85	1 70	7 00	6 00	5 00	4 00	3 00	3 00	5 00	4 00
Nursing Sisters	1 70	1 70	7 00	6 00	5 00	4 00	3 00	3 00	5 00	4 00
Ratings	1 45	1 25	5 00	3 75	3 50	2 50	2 00	1 75	3 50	2 25

NOTES:—

* Officers entered in service prior to 8th May, 1942, may continue to receive these pre-war rates until they elect to receive the new rates of dependents' allowance. Ratings attested on or before 31st May, 1942, receive these "pre-war" rates.

† Officers entered in service on or after 8th May, 1942, receive these "new rates" also officers who elect as above. Ratings attested on or after 1st June, 1942, receive these "new rates".

The hon. member for Lake Centre (Mr. Diefenbaker) asked for the number of naval reserve officers of the rank of commander and above. There are thirty-seven confirmed commanders and above and sixty-three acting commanders and above, or a total of 100 officers of the R.C.N.V.R. who have obtained the rank of commander and above. The same hon. member asked how many officers of the rank of captain and above have been retired in the past year, including all three branches of the service. As yet none has been actually retired, but two captains of the Royal Canadian Navy are now on leave preparatory to retirement.

The hon. member for Peterborough West (Mr. Fraser) asked me just before six o'clock what the navy had sold by way of salvageable material in the last year. The navy sold in that year salvageable material which realized $60,533.33. This material consisted of scrap metal, clothing, rags, kitchen by-products, equipment, machinery and miscellaneous items, all of which were sold through the acting salvage officer in the Department of Finance.

Mr. BROOKS: I have a question to ask, but before doing so I should like to add a brief word to what has been said in praise of the navy. It has been very pleasant listening to the words of hon. members from all sections of Canada, but we from New Brunswick have said nothing. I think that can be attributed to our great modesty. However, it does not mean that we are not proud of the men in the navy who have come from New Brunswick. Possibly we take the sea as a matter of course. A great many of our men earn their living from the sea, not only in time of war, as at present, but in peace time.

We have our full share of men in the navy and more than our share in the merchant marine. We are very proud indeed of the men from our native province who are in both these services. I would say in the words of our great Canadian poet, Bliss Carmen, who was also a New Brunswicker:

> Our hearts go sailing outward
> With the ships of grey Saint John.

My question is in relation to rehabilitation. I believe the hon. member for Souris brought up the matter a few days ago and, in reading *Hansard* I find that it was discussed under both the army estimates and the estimates for the air force. As a matter of fact, it was also discussed by the hon. member for St. Paul's. I should like to read what was said with respect to the men who are discharged from the army, and I assume the same applies to the navy at the present time. The hon. member for St. Paul's mentioned some cases in which he thought a rehabilitation allowance should be given. Replying to the hon. member, the Minister of National Defence (Mr. Ralston) said, as reported at page 622 of *Hansard:*

> My hon. friend will understand that the rehabilitation grant is exactly what it states, namely a grant for the purpose of refitting a man into civilian life.

I do not think anyone can have any argument, as far as that is concerned. Then he goes on to say:

> The assumption is that if he takes the option and requests a discharge, he has somewhere to go, some occupation at which he may be engaged. Otherwise he would not be asking for the discharge.

My experience has been that all men asking for discharge have not some place to go. There are other reasons for which they ask for discharge. I have found in the army—and I know this must also be the experience in the navy and the air force—that many men ask for discharge on account of sickness in their families. This has often come to my attention as a commanding officer. There are also matters of family trouble, where the head of the family may find that it is better for him to join his family than to stay in the army. Very often the mother in a family is dying, and the father has to go back to look after his children. Then in many cases, too many in fact, it is found that the wife has deserted the children and that someone must look after them. For every case where a man asks for a discharge to go back to a job I am satisfied there is another case where he asks for a discharge for one of the other reasons I have mentioned. These men are not going back to jobs, and their case is a very difficult one. They are being continually met with.

There is also the question of men who are not fit for overseas service. Hundreds of them —I think I would be safe in saying thousands of them—are to be found at bases in England, and at depots and other places in Canada, who really have not very much to do in the army. Their position becomes irksome, and they are asking for discharges. But no rehabilitation allowance is provided for them, and they continue in the army.

I believe if some agreement were made, or some programme arranged among the three departments for the release of these men from service, there would be a very large sum of money saved to the country, and justice would be done to the men. Many men are suffering injustices at the present time, because they are simply being told, "You have asked to leave the army. You must have a job to go back to." Accordingly, out they go, without

any allowance of any kind. I hope that there may be some programmes to look after these men.

As I said a moment ago, anyone who has had anything to do with the administrative work of the different units, in all branches of the services, will come across cases of this kind almost daily. Many of these men who are in the different depots and other base units become tired of the work in the army, and if they go back to their homes they find, if they have been business men, that it takes them some time to get back on their feet. They may have been carpenters, painters, plumbers, or men in other trades. They have been away from their work for three or four years. They may have to buy tools and equipment, so that they can get back on their feet.

Is there any joint programme either arranged at the present time, or anticipated, to look after the rehabilitation of these men who, I claim, should receive justice. I refer to those who are leaving the army, and many others who should be out of the army at the present time.

Mr. MACDONALD (Kingston City): As I intimated before, and as I believe has been intimated by my colleague, there is a directorate of demobilization in the naval services, and in the other two service departments. There is a combined committee for the three services, a joint service committee, and also an interdepartmental committee on which I believe my colleagues the Minister of Pensions and National Health and the Minister of Labour are represented as well. They are now giving a great deal of study to this matter of demobilization. I would point out to my hon. friend that once a man is demobilized the responsibility of the three armed services ceases and he becomes the care of the Department of Pensions and National Health. I think my hon. friend was referring at one stage of his remarks to the problem of a man who wants to get out before the end of the war, and he asked what is being done for him. Am I correct?

Mr. BROOKS: Yes, that is correct.

Mr. MACDONALD (Kingston City): With regard to the gratuity, or mustering-out pay, or whatever you wish to call it, which he might receive, that matter is at this very moment, and has been, I think, for some two or three months, under consideration by the three service departments and the Department of Pensions and National Health. I am not in a position to say definitely, because I do not think the matter is quite in definite shape, what the financial provisions will be. I think it is only fair to say that they will be at least as generous as, and I think in most cases more generous than, they were at the conclusion of the last war. My hon. friend from his experience with the army is no doubt familiar with the blue booklet which was sent out showing the possible training benefits, vocational education and so on that a man may receive who is discharged from the services. These provisions are, I believe, quite generous. In the matter of the young man who left college and wishes to complete his education, there are very generous provisions. In the case of the man who wants to take up farming, very generous assistance is given. I believe that it covers commercial fishing as well. But my hon. friend, having come direct from association with service men, is probably more familiar with that than I am.

Mr. BROOKS: I understand the cases which the minister has mentioned. But what I am concerned about is the case of the man who, on account of family trouble or for compassionate reasons, is discharged from the army; his wife has died and he has to look after his children, or the children have been deserted, or there is other serious trouble at home. There are quite a number of these cases. According to the minister, or according to the Minister of National Defence, it is assumed that because a man has asked for his discharge he is going back to his job. The point is that he is not going back to his job, and at the present time no provision is made for these cases, of which a great many are coming up continually. I think the Minister of Pensions and National Health will agree with me that that is the situation, and I think something should be done at this time.

Mr. MACDONALD (Kingston City): In many cases, I assume, the man to whom my hon. friend refers would go back to his job.

Mr. BROOKS: Well, he goes back to look for a job. He may have a job and he may not have. A good many of these men, for instance the younger men, were married at the beginning of the war, and were not established, or at least some of them were not, and some of them have young children. There are a good many such cases.

Mr. MACKENZIE (Vancouver Centre): If I may be permitted to intervene, it is at the present time the definite responsibility of the department over which I preside to enable such men to find adequate employment.

Mr. BROOKS: Yes, but the fact that it may be the department's responsibility does not mean that the men have the jobs. There

should be some provision for them until they do get jobs. That is the principle of rehabilitation.

Mr. MACKENZIE (Vancouver Centre): We have that now.

Mr. BROOKS: Well, what about these cases which I have mentioned?

Mr. MACKENZIE (Vancouver Centre): We have out-of-work benefits payable for twelve months after discharge if the man is unable to find adequate employment, as well as preferences both in contracts and in government service.

Mr. BROOKS: How it works now is that a man is kept on the depot for thirty days and given thirty days pay.

Mr. MACKENZIE (Vancouver Centre): Of course, if there is any gap at all between his being struck off National Defence and taken up by Pensions and National Health, that gap will have to be closed. I agree, too, that it is our responsibility to apprise the man in the first instance of what he is entitled to in post-war discharge benefits, and, second, to provide him with employment.

Mr. BROOKS: The whole point is this. I know the Minister of Pensions and National Health and the other ministers are discussing rehabilitation programmes, and we hear it rumoured that the men will get two or three months pay, or whatever it is. But here are men who have been in the army for three or three and a half years and who go out before the war is over. These men get nothing. I claim that there should be some plan for rehabilitating these men.

Mr. MACKENZIE (Vancouver Centre): There is. We have found employment for over 85,000.

Mr. CASTLEDEN: Further with regard to this matter of the programme, we find a definite reduction in the air force training service programme. I believe the minister for air announced that about twenty-eight flying schools across Canada were being disbanded this year. How will the general programme of naval expansion for 1944 compare with the 1943 programme? Is there any reduction at all?

Mr. MACDONALD (Kingston City): My hon. friend means, the number of men to be taken into the service? I would say to him that there will not be as many men taken in during the coming year as there were last year, so that there is a reduction in that regard. On the other hand, the number of ships next year will be greater than it was in the previous year, so that there is an increase there.

[Mr. Brooks.]

Mr. DIEFENBAKER: Just in connection with the matter which has been brought up by the hon. member for Royal, the Minister of Pensions and National Health stated that some 85,000 men had been found employment. If my memory serves me right, some 118,000 have been discharged. Does the minister suggest that all of the 118,000 are in employment and have had no difficulty in securing work?

Mr. MACKENZIE (Vancouver Centre): No; that is not correct. But I do suggest that, through the direct agency of our organization in the Department of Pensions and National Health, combined with the work of national selective service in the Department of Labour, over 85,000 have been placed. In the last month—I am speaking from memory now; my hon. friend will pardon me if my figures are not strictly correct—about 3,000 were discharged and placements were found for five or six thousand. Of course it is a rotating figure; it is not a fixed figure at all. But we find out that those asking for unemployment benefits are very few, because of the condition of employment in Canada to-day. That condition will not necessarily prevail after the war. I believe there are about three hundred accepting unemployment benefits; that is, those who are waiting for definite employment and who are entitled to the unemployment benefits provided under order in council P.C. 7633.

Mr. DIEFENBAKER: I assume this would be the right point in the discussion to suggest an amendment of the Reinstatement in Civil Employment Act. It is a matter which I think I should bring to the attention of the minister, because no opportunity will be given later on to do so. In 1942 this house passed the Reinstatement in Civil Employment Act which as hon. members know, provides that an employer shall reinstate his employee upon discharge from the armed services in the position which he had prior to his enlistment. But there is a provision therein which, I think, is even now being taken advantage of.

Section 4, paragraph (d) provides:

> In any proceedings for the violation of section three of this act—

Section 3 sets out what the duty of the employer is with respect to reinstatement.

> —it shall be a defence for the employer to prove—
>
> (d) that he—

The discharged soldier.

> —was physically or mentally incapable of performing work available in the employer's service.

That section, as things now stand may or may not be taken advantage of. But when

the war is over and the patriotic urge recedes, and there is a desire on the part of some employers to secure the largest return they possibly can, that section might very well afford a defence to a refusal or a denial of an opportunity for employment to the man who, after service, has been physically disabled in any particular. I raised this point, if I remember correctly, when the bill was up. In the United Kingdom a reinstatement act is in effect, or at all events it was recently introduced, very much along the lines of the act in Canada.

Mr. MACKENZIE: (Vancouver Centre): If my hon. friend will allow me, I do not think the act has been passed as yet in Great Britain, but the bill is very much more comprehensive than the act we passed in Canada two years ago. Our act is confined to ex-service men, while the bill in Great Britain includes those who have been injured in civil accidents, and that is the great criticism against the bill in Great Britain. They say that a man who has served his country in battle should have the preference in reinstatement over a man who has been injured in civil or industrial life. That provision has caused bitter controversy over there.

Mr. DIEFENBAKER: I am not dealing with the provisions with respect to employers in civilian industry but with the provisions in connection with the reinstatement of men after their discharge from the army. They have found it necessary in Great Britain to pass another act or submit another bill—I do not know whether it is yet law—known as the Disabled Persons bill.

Mr. MACKENZIE (Vancouver Centre): That is the bill to which I was referring.

Mr. DIEFENBAKER: It is based on the principle that disability is a handicap but not a barrier to employment, and it imposes the obligation upon employers of twenty-five workers or more to take a quota of men and women who are disabled, the quota varying with the different trades. Has consideration been given in Canada to a similar provision to apply to men who, after service in the armed forces, are discharged by reason of disablement? Is it in the contemplation of the government to introduce some such measure to assure reinstatement for those who, while not physically perfect, are not so handicapped that they could not take employment?

Mr. MACKENZIE (Vancouver Centre): I am afraid I am speaking out of turn more or less by intruding on the estimates of my colleague. The bill passed in Canada a few years ago was sponsored by my colleague the Minister of Labour, although I gave it all the support I could. The Disabled Persons bill in Great Britain affects civilians as well as ex-service men.

Mr. DIEFENBAKER: I was referring to ex-service men.

Mr. MACKENZIE (Vancouver Centre): The committees here have been and are considering that very point very carefully. There is no phase of rehabilitation to which keen-minded civil servants in my department and others are not giving serious attention. We are all anxious to do everything we possibly can to meet the very problems my hon. friend has mentioned.

Mr. DIEFENBAKER: Has consideration been given to that very point?

Mr. MACKENZIE (Vancouver Centre): Yes, I remember that it was discussed a year ago.

Mr. ROSS (St. Paul's): The answer that was given to me by the minister for naval services is the same answer that I have had given to me in half a dozen cases of men who have been discharged on compassionate grounds, not because they wanted to get out of the army or the navy, but for family reasons. I know one of these men in particular whose family has suffered to a great extent. I do not see any reason in the world why men discharged on compassionate grounds cannot be treated exactly the same as men discharged for some other reason. A man who is discharged on compassionate grounds is discharged for a definite reason which is accepted by the department; otherwise he would not be discharged. But he does not get the same discharge pay and allowances as men discharged for other reasons. I have three cases in mind now. In one there was definite hardship. The man had a family of five children and no place to go. The minister of pensions said that these men were all taken care of, but this man was not taken care of. He had great difficulty in getting a job. All he got upon discharge was $35—nothing else—and he has a family of five children. It seems to me that there should not be that discrimination. I think the hon. member for Royal was talking about the same thing that I am talking about now.

Mr. MACKENZIE (Vancouver Centre): I think my hon. friend has in mind cases where a man asks for his own discharge on compassionate grounds. That does not debar him from the benefits under order in council P.C. 7633. I should like to know the name of that man and whether he ever reported to one of our welfare officers.

Mr. ROSS (St. Paul's): I shall be glad to talk to the minister about him. This man got nothing but $35 upon discharge. I would ask the minister for naval services whether the pay and allowances upon discharge, clothing allowance and so forth, are exactly the same as in the other services.

Mr. MACDONALD (Kingston City): Yes, the clothing allowance, $65, and the other discharge benefits are the same. I think there is a distinction between the man who is discharged at his own request, and the man who is discharged from the army because the army has no longer any use for him. It may be that it is a little unfair to take the man who is discharged on compasisonate grounds and put him in the same category as the man who takes his discharge simply because he wants to go back to farming or something of that sort.

Mr. ROSS (St. Paul's): That is the point.

Mr. MACDONALD (Kingston City): There is something in what my hon. friend says. The man who is discharged because of a death in the family which necessitates his presence at home to look after his family is hardly discharged at his own request. Technically he is, but in reality he is moved by circumstances beyond his control, and it may be that we should be a little more generous in a case of that kind. That is one of the points which are now under discussion, together with the whole question of gratuities upon discharge. I shall certainly bear in mind the representations my hon. friend makes and those of the hon. member for Royal.

Mr. ROSS (St. Paul's): There is one other point I wish to bring up. We had a long discussion the other night on dependents' allowance in the case of a man who goes A.W.O.L. I have several cases where the woman has not heard from her husband for two years. Take one case as an example. The wife had been receiving an allowance from her husband up until October 2, after which she got no more. What is to be done in that case? The woman is in this position. The man is of no use to her; he is of no use to the army, the navy or the air force, and yet she is saddled with him. There is the difficulty. It is a great injustice and there is no remedy for that woman at all. It is very necessary that something should be done about the matter. The man obviously is tired of her and has deserted her. She cannot receive any further allowances from him, and there you are. I would like to bring this to the attention of all ministers. There should be some way of freeing this woman; it is absolutely necessary. I do not think she wants to be bothered about getting pay and allowance from him any more; she just wants to be free. That is the situation, and many hon. members no doubt have the same sort of thing they can bring up. I do not think there is any remedy in the present situation. Would the minister say something about this matter?

Mr. MACDONALD (Kingston City): Do I understand my hon. friend to say that a married man who gets tired of his wife can prevent her from getting her dependents' allowance?

Mr. ROSS (St. Paul's): She is in this position—and this particular case is illustrative of many others. The man is in the clink all the time and therefore she gets nothing. She has not heard from him for two years. Surely there must be some remedy. The woman has suffered; what is to be done about it?

Mr. MACDONALD (Kingston City): I shall be glad to look into that case and get a reply for my hon. friend possibly before the sitting is over to-day.

Mr. GREEN: Will the minister explain the present position with regard to the fishermen's reserve on the west coast? There was a suggestion last fall that it might be disbanded. I hope that is not the case. Will he explain the situation at the present time?

Mr. MACDONALD (Kingston City): There is an order on that point and I am looking it up.

Mr. GREEN: May I ask one other question; it has to do with the classes carried on recently at Deep Brook, Nova Scotia, for officers. I understand that these young men were picked out from civilian life, passed two or three boards and were enrolled in the course there but that only a very small percentage of them passed the examinations, the standard being very high. In the finish those who had not been successful were given the option of going to sea for a period of three years or of taking their discharge from the navy. That was after they had been on the course for a period of almost a year. That may or may not be a correct statement of the situation, and I would like the minister to explain it. These courses, I understand, have been discontinued.

Mr. MACDONALD (Kingston City): Does my hon. friend say that they were given the option of going to sea for a period of three years?

Mr. GREEN: Going below decks for three years.

Mr. MACDONALD (Kingston City); No; there was never any such rule as that. There was a rule that a man who had failed in his course as an officer would be given the option of going back to the lower deck or of being discharged from the service. Some have gone back while others have not, but I do not think the proportion of failures was ever great. Certainly by far the great majority of those men taking the course were successful. There would be a small percentage, but a very small one, who failed. I can get the figures on that in a moment. Take one set of figures at Kings. That is the training establishment on the east coast where many candidates come direct from the sea. Accurate figures are not readily available as to the number of failures in Kings, but the percentage is less than four. The Kings course includes a mixture of lower-deck, officer candidate, and direct entry officers from shore. At Cornwallis 476 have completed the officer-candidate courses to date; 295 have been promoted to commission rank, sixty-two discharged, and ninety-seven continued on lower deck as ratings. Twenty-two failed the course but retained officer-candidate status on the lower deck and will again appear for officer-candidate courses when recommended by the commanding officer. That may be in six months or a year, but I should not think it would be three years.

Mr. NEILL: That is not on the west coast?

Mr. MACDONALD (Kingston City): I am speaking of the officers training establishments at Kings in Halifax and Cornwallis in Digby.

Mr. GREEN: I was referring to the courses at Deep Brook. Apparently they were discontinued recently.

Mr. MACDONALD (Kingston City): No; they are still going on.

Mr. GREEN: My information is that, in the last few courses, fewer than thirty per cent have passed.

Mr. MACDONALD (Kingston City): Oh, no; that is not accurate; my hon. friend is away off the mark. He may be thinking of those who appeared before selection boards, but even there more than thirty per cent passed.

Mr. GREEN: They were in that category.

Mr. MACDONALD (Kingston City): That is a different thing from failing the course. These were men who were not recommended by the selection board.

Mr. GREEN: I am wrong. They appeared before the boards, were duly recommended and spent practically a year taking the course, and only thirty per cent passed. They were then given the option of going to sea or being discharged.

Mr. MACDONALD (Kingston City): I am sorry, but my hon. friend's figures are wrong. To begin with, it would not take a year for them to take the course; it would be about six months In the second place, the number of failures would be very much less than seventy per cent. The number of men failing at Kings, where they take the final officers training, is said to be less than four per cent. I have not the number that failed at Deep Brook, where part of the course was taken, but it would not vary substantially from the four per cent that failed at Kings. My hon. friend may rest assured that it is nothing like seventy per cent.

Mr. GREEN: What option have they once they have failed in the course?

Mr. MACDONALD (Kingston City): My hon. friend will understand that practically all entries now are made from the lower deck. The man who fails in his course at Kings—that is, the final failure—would be given an option of going back to the lower deck for a time and endeavouring in the course of some months, or perhaps a year, to get a recommendation from his commanding officer and again appear before the selection board and take the course, or he could be discharged from the service on the ground that he had failed to qualify. Those are the two options available.

Mr. FRASER (Peterborough West): I believe the hon. member for Vancouver South is talking about boys who tried the examination in December. From our district, I know, there were a number who failed and they wondered why. They got high percentages and they were given the option of becoming ordinary seamen again, starting at the beginning and taking basic training all over again. They felt quite hurt about it.

Mr. MACDONALD (Kingston City): I know. They naturally would be disappointed. I shall get the exact number who have failed at Deep Brook for the hon. member for Peterborough West and the hon. member for Vancouver South. I think the hon. member for Peterborough West referred particularly to the month of December.

Mr. FRASER (Peterborough West): I think it was in December that they tried their examination.

Mr. MACDONALD (Kingston City): These matters all come before me in one way or another, these men who are to be discharged on account of having failed to qualify. If

eight or nine failed out of a list of seventy or eighty I should say it would be rather a high percentage.

Mr. GREEN: Could the minister get the records for the last ten classes at Deep Brook?

Mr. MACDONALD (Kingston City): It might take me a little time but I shall get it.

Mr. FRASER (Peterborough West): It was in the fall, whether December or not I cannot tell. The boys told me that in the previous class over seventy per cent passed, but in their class hardly fifteen per cent passed.

Mr. MACDONALD (Kingston City): I think those figures are absolutely inaccurate but I shall check them.

Mr. DIEFENBAKER: Through inadvertence the minister failed to answer a question that I asked. I asked for a statement showing the number of officers of the rank of acting commander and senior. He stated there were 100, but I want to know how many of those 100 senior officers belonged to the R.C.N.V.R.

Mr. MACDONALD (Kingston City): Those that I gave.

Mr. DIEFENBAKER: That is the number.

Mr. MACDONALD (Kingston City): That is the number of R.C.N.V.R. commanders and above. I think that is what my hon. friend asked.

Mr. DIEFENBAKER: There is one other question. In so far as the opportunity now affords itself for men in the lower decks to train for commissions a notable step has been taken. A moment ago the minister, if I understood him aright, stated that there were still exceptions to that rule. What are the exceptions?

Mr. MACDONALD (Kingston City): There are certain branches of the service into which men come directly. Take as an example the medical branch, the special branch, as it is called, which consists of lawyers, technicians and other professional men. Some men come directly into that branch. But for the executive branch, which is sea-going, what I might call the combatant branch, all entry is made from the lower deck, and I think more than two thousand men have come from the lower deck to commissioned ranks.

Mr. NICHOLSON: Would the minister give some explanation of the wide variation in the ratio of officers to ratings in the different provinces. The table which was placed on *Hansard* at page 1309 indicates that Prince Edward Island has a ratio of approximately four officers to every 100 ratings; Nova Scotia, about ten; New Brunswick, seven; Quebec, thirteen; Ontario, seven; Manitoba, four; Saskatchewan, three; Alberta, three; and British Columbia, twelve. Those of us who come from the prairie provinces will never admit that those who joined the navy from the prairies are not giving a good account of themselves. There are many cases of heroism, and it seemed to me that the ratio from the prairies should be higher. It is hard to understand why the ratio from Prince Edward Island is four compared with ten in Nova Scotia; why the ratio from British Columbia should be so high. It is true that those who live near the sea have opportunities which the prairie boys do not have. In every field of war activity the men from the plains have adapted themselves very quickly to their due responsibilities, and the officers who have been trained have done exceptionally good work. Can the minister explain why there is that variation?

Mr. MACDONALD (Kingston City): It is quite natural for my hon. friend to raise the question, and I am glad that he did so because he allows me to make an explanation which perhaps I should have made earlier. It is quite true, as he says, that the proportion of officers to ratings in the prairie provinces is not so high as it is, say in the maritime provinces, or in British Columbia; but I think the reason for that is to be found in the fact that a great many of the Royal Canadian Naval Reserve officers, the men who, before the war, were at sea in the mercantile marine and so on, came from the maritime provinces, the St. Lawrence, the great lakes and British Columbia. I should suppose that very few of the R.C.N.R. officers would come from the prairies because, through the accident of geography, there are no great waterways in those provinces as there are in the five eastern provinces and in British Columbia. Then again there are a great many yachtsmen in the maritime provinces, on the banks of the St. Lawrence, on the great lakes and in British Columbia. These men were available at the beginning of the war and many of them entered the service. On account of their experience with boats and engines and with sail they came into the service. But I should not want it thought for a moment that men from the prairies, given the same amount of training, would not make officers just as competent and just as reliable and faithful in every way as men from any other part of the country. I am sure that they would; they would main-

tain the magnificent record which the prairie provinces have already achieved in the naval service.

Mr. FRASER (Peterborough West): The Minister of National Defence put a table on *Hansard,* which appears at page 990. This table shows that an ordinary seaman signing on gets $1.25 a day; whereas a private in the army gets $1.30. Why the difference?

Mr. MACDONALD (Kingston City): Well, it is a long story. The fact is that there is some discrepancy all through the table between comparable ranks in the three services. My hon. friend will find, for instance, that certain ranks in the naval service get a little more than the corresponding rank in the army. We find that other ranks get a little less. In the case of the ordinary seaman there was a time when he got $1.45 in the navy, as against the private's $1.30. Then we had to adjust it in some way and we also had to adjust the matter of subsistence. Then, the marriage allowance in the navy was a little bit lower than in the army for some curious reason, and by trying to adjust those things as equitably as we could it was felt that the ordinary seaman who joined the navy after June, 1942, I think it was, should receive $1.25 a day instead of $1.30 for the private. I will agree with my hon. friend that it is difficult to take these tables and find them wholly and absolutely comparable. They are not, but it was about the best we could do at the time.

Mr. FRASER (Peterborough West): The reason why I brought this matter up was that these boys, when they join the navy, the army or the air force at $1.30 a day, would like to have a few dollars to spend. But they find they have practically nothing on account of the things they have to buy. I think when they join up they should have the same pay all the way through the services. After they step up it might be a little different, but when they join I really believe they should have the same all the way through.

Mr. MACDONALD (Kingston City): Yes. I shall bear that in mind. Certainly I have no objection whatever to seeing their pay raised by five cents.

Mr. STIRLING: Would the minister explain whether the assigned pay in the navy is exactly the same as in the other services? Then, in connection with the allowance to a dependent mother, does the navy take a more generous view than the other services with regard to a mother who was entirely dependent on a son who goes into the navy and pays an allowance for the mother's keep?

Mr. MACDONALD (Kingston City): The dependents' allowance is the same for all three services, and I understand that the principle with regard to the allowance for mothers is the same in the navy as in the other services.

Mr. STIRLING: And the assigned pay?

Mr. MACDONALD (Kingston City): A rating in the navy must assign fifteen days' pay for his wife and five days' pay for any other dependent, such as a mother, which I think is about the same as in the army and the air force.

Mr. GREEN: Did the minister get the information concerning the fishermen's reserve?

Mr. MACDONALD (Kingston City): I am just getting that order; I do not have it here, but I will return to the point before the sitting is over.

Mr. GREEN: There is one other question I should like to ask, having to do with recreational facilities at St. John's, Newfoundland. Both officers and men who have been stationed there tell me that facilities for the men are very poor. They come in after a trip lasting several days, under very hard conditions, and there are no proper recreation huts. It is difficult to get accommodation in St. John's, and the suggestion has been made that a building or buildings should be erected there by the dominion government. Could the minister tell us the situation in St. John's?

Mr. MACDONALD (Kingston City): Certain buildings have already been erected there through the Department of National War Services, which in turn acts through the Legion, the Knights of Columbus, the Y.M.C.A. and the Salvation Army. There are some recreation buildings in St. John's, but it is a very busy place, and like other towns and cities in Canada its population has greatly increased.

Mr. GREEN: I am referring to St. John's, Newfoundland.

Mr. MACDONALD (Kingston City): Yes; I am speaking of St. John's, Newfoundland. Personally I should like to see conditions improved, and every step is being taken to do so. Up to the present, however, it has been very difficult to erect buildings, particularly on the eastern seaboard; it has been difficult to get materials and supplies, and in some cases labour. Gradually all these difficulties are being overcome, and I hope we may be able to do a great deal better than we have done in the past, not only at St. John's, Newfoundland, but at other ports in the east.

Mr. GREEN: Are new buildings to be erected there?

Mr. MACDONALD (Kingston City): Yes; the Y.M.C.A. is contemplating the erection of a building on the south side of the harbour; the matter was before me only a day or two ago in connection with the plan of the building and what they wanted to provide. They also have a building in the main part of the city, and so have the Knights of Columbus. Their building was destroyed by fire, but I think it has been rebuilt. The Salvation Army is there also, and I think there are one or two local organizations as well. The seamen's institute of St. John's operates a building there, or used to do so, at any rate. Of course the new Y.M.C.A. building will be a great help.

Item agreed to.

3. Travel, transportation and freight, $92,957,866.

Mr. KNOWLES: I should like to deal with a matter relating to transportation home for men who leave the navy, technically at their own request. As the minister knows, I wrote him about a particular case some time ago, and at that time he quoted to me a particular regulation and said it was impossible to do anything in connection with the rating about whom I wrote. Later on, thinking the regulation stood for all three services, I raised the matter in the house; I believe it was on February 17, when the Minister of National Defence was before the committee. At that time I learned that a change had been made, with respect to the army at any rate, providing for transportation from the place of discharge, even when a man was discharged at his own request, back to the place of enlistment or to the home of the individual. There was a little confusion that night as to whether the regulations were the same in all three services, but the next day the Minister of National Defence for Naval Services tabled a regulation which had been passed some days earlier, providing for the very thing I was mentioning, namely transportation from the place of discharge to the place of enlistment or the rating's home.

On the basis of that new regulation, even though I knew it was dated in February while the case with which I was dealing went back to December of last year, I drew this case to the attention of the minister again. I did so because I felt that it was a particularly unfortunate case in itself, and also because I felt that there must be other similar cases. This rating had enlisted at London, Ontario. On account of his wife's illness, which was quite serious, it became unquestionably necessary for him to leave the service. I am bearing in mind what the minister said a few moments ago, that there are cases like this in which, though technically a man is discharged at his own request, still the situation is not of his own creation, and in my opinion special consideration should be given a man under such circumstances. This particular man, who was discharged in Victoria, was given the balance of pay that was coming to him up to that time and the clothing allowance, which at that time was $35. He was told, though he did not need to be told, that he would have to spend that $35 on clothes, which left him with only about $20 or $22 to go from Victoria to near London, Ontario. Eventually the man made contact with the Navy League of Canada in Victoria; and a man whom I happen to know, a former solicitor of the city of Winnipeg working with the Navy League in Victoria, did his best to help this man. When I discussed the case previously I implied that the Navy League of Canada had supplied the money to enable this man to get home. Really that was not the whole of the story. It was through the Navy League and the assistance of the gentleman to whom I have referred that help was obtained for this man. But actually it had to be obtained in the form of borrowed money. The money was lent to him, through the instrumentality of the gentleman to whom I have referred, by the Salvation Army. That was the source to which this man had to go to get money to go home. He is now home. In the meantime he has secured employment again, but he has been faced with very heavy medical bills because of the serious illness of his wife, and he still owes as a debt the money that was borrowed from the Salvation Army to enable him to get home.

As I say, fully conscious of the fact that I was asking for something that dated back prior to the date of the new regulations, nevertheless I felt it was a case that should be given more generous and sympathetic consideration by the minister. Accordingly I wrote him again on March 2, and in his reply to me the minister said he did not think it would be wise to pay transportation in this case, because that would be establishing a precedent. As a matter of fact, I do not think that is any argument against it. If there are cases similar to this, of men who have offered their services, and spent time in the forces, but who through no fault of their own have been forced to get out, and have been left with a debt such as this so that they could get home, it would not do any harm to establish a precedent to treat generously men who find themselves in that situation.

I was a little put out by the comment of the minister when he said at a later point

in his letter that he did not altogether approve the paying of transportation in such cases. The minister used these words:

> When men are discharged at the end of hostilities, or through wounds, or for other causes not of their own making, then I feel it is only fair for the government to pay transportation.

With that we all agree. But then he goes on to say:

> On the other hand, when a man leaves the service for his own private reasons, it seems to me that he is in a totally different position.

I do not think that comment should have been made about a man who has offered his services, spent four years in the navy, and who would have preferred to stay in the navy but who, for reasons not of his creation, because of difficulties at home, is forced to leave the service.

I should like to quote from one letter I received from this man, just to indicate his spirit in the whole matter. As hon. members will realize, after the conversation I had with the Minister of National Defence in this matter in the committee, following which the Minister of National Defence for Naval Services tabled the revised regulations, I conveyed that information to this man. This was his reply to me:

> I feel much better now. At least the next fellow that has to be discharged under the same circumstances will fare a whole lot better than I. There is a saying in the navy, "Grim, isn't it?" And that just about sums it all up.

I emphasize the fact that the spirit of this man, despite his unfortunate and unhappy situation, is indeed commendable. I present the case because I feel that in this and similar cases a point should certainly be stretched in their favour.

It has now been recognized under the new regulations in all three services that when a man is discharged at his own request, particularly in a situation such as this, his transportation is paid back to the place of his enlistment, or to his home. That is now the rule in all three services. I make a plea again for this man, and for other men in similar situations, even though their cases may have been prior to date of the new regulations, and I ask that the department see what can be done by way of taking care of any debt they may have had to incur to get home.

Mr. MACDONALD (Kingston City): I would have to look up the correspondence. I do not know whether it appeared to me at first that this man was in the position described by my hon. friend. But I still say, generally, that the man who leaves the service at his own request because he thinks he can better himself, or for some other such reason, should not be paid by the service for his transportation—although we are doing it, even in that case. The case of the man discharged at his own request under circumstances such as my hon. friend has described, through the illness of some relative or for some other domestic cause which urgently requires his presence at home, is a little different.

When I said I was opposed to paying transportation to a man who left the service at his own request I meant this. Why should the service take any more interest in the man who leaves, as I say, because he wants to go back to farming, into business or something of that sort and hopes to better himself? There is no reason why it should. He leaves when it suits him. We shake hands and part, and that is the end of the transaction.

But in the case my hon. friend describes, one where there was some domestic trouble or domestic worry which compelled him to go home, I agree there is a little difference. However, I am not sure that that was made clear to me in the correspondence. I shall look into it and find out.

Mr. KNOWLES: I wish to make a plea to the minister in dealing with a case of this kind not to use language such as he did, when he spoke of men leaving the service to better their own positions. I appreciate the minister's offer to look up the correspondence again. He will find I have written him two letters, each of which was two pages in length, in which I gave far more detail than I have given on the floor of the house. The details make it clear that it was a case in which generous treatment should have been given the man. It was in no sense any attempt to better his position, but simply because there were reasons why he had to go home.

Mr. MACDONALD (Kingston City): My hon. friend may have written me two letters, but I get a great many letters, and I cannot attempt to recall what was in a letter written to me a month or six weeks ago. I am sorry, but that is the situation. I should like to have time to look up the correspondence, and see whether it was made abundantly clear that it was not so much a case of a man's being discharged at his own request as one where the circumstances imperatively required his presence at home. I have every sympathy with such a case.

I have not so much sympathy, however, with the man who, to better his own position, says, "I want to go farming. I have had a year or two in the navy, and I want to leave it." He should pay his own way home. But

even in that case, under the recent ruling, we pay his way. But I draw a distinction between the purposes for which a man wants to leave the service. If it is for a commendable purpose, for what might be called humanitarian reasons, that is one thing. I have every sympathy with that. But if it is because a man wishes to go home only because he thinks he can make more money, then I say that is his own lookout, and he should pay his own way.

Mr. KNOWLES: I object, and the reason why I have protested so vigorously against the minister making the comments he has made in this case is that, in spite of the detail which I have placed before him—and I think, when he examines the correspondence in the light of this discussion, he will see my point—the direct statement he made was, "I do not think it would be wise to pay transportation in this case."

I shall draw the case to the minister's attention again by correspondence, and I am sure after what has been said to-night he will look into it further.

Mr. MACDONALD (Kingston City): I shall be glad to look into it further.

Mr. FAIR: On an earlier occasion, when the estimates of the Minister of National Defence were before the committee, a number of hon. members made a further plea for free transportation for members of all services when on furlough or on embarkation leave. We were told then that the matter was under consideration. Has any decision been arrived at up to this time?

Mr. MACDONALD (Kingston City): The matter of free transportation for members of the armed services has been brought up in the house almost every session in the last three or four years. I do not know that we can ever go so far as to give free transportation to members of the armed services to all parts of Canada, but there has been a suggestion—that is all I can say; it is now under consideration—that we fix a certain maximum payment beyond which the soldier, the sailor or the airman would not have to go. That, I may say, is quite a reasonable maximum and it may be agreed to. But it would be difficult to grant free transportation all round in a country as great as Canada. I recognize that in the United Kingdom service men are given free transportation, but there the distances are much shorter than they are from one side of Canada to the other, and the matter is a good deal simpler.

Mr. FAIR: I think one of the main reasons why this question has been brought up so often is the size of our country. In a number of cases men who belong in Vancouver are stationed on the east coast, and it costs them quite a lot of money to get to the west coast. So that if a ceiling is determined upon, I hope it will be set very low.

Item agreed to.

4. Construction, purchase, repairs and operating expenses of properties—

(a) Capital expenditure, $17,990,462;

(b) Repairs, operating expenses and rentals, $6,715,891.

Mr. CRUICKSHANK: I should like to ask the minister a question in connection with sub-item (a). In my riding is a most excellent building. It is a kind of "hush, hush" building too, but he knows the one I mean. Although he has, I believe, highly trained naval men there and an elaborate and expensive building, there is no place for the men to live. Some are living in barns, some in tents—wherever they can. Is any provision being made for a barracks for the building to which I am referring? I am always afraid that it will be deemed not in the national interest if I call a place by its name around here. It is what I think is called an interceptor station. The reason I am asking is that it is a permanent building; while it is not, as the minister knows, merely a temporary structure, yet there is absolutely no provision for the men to live there.

Mr. MACDONALD (Kingston City): If my hon. friend would send me over the name by secret message I could look it up here.

Mr. CRUICKSHANK: Then we would not have the privilege of getting on *Hansard* the location of a most elaborate and up-to-date building. It is at Matsqui, in the Fraser Valley. I understand there is no "hush, hush" about it. It is an interceptor station.

Mr. MACDONALD (Kingston City): Is the name Sumas?

Mr. CRUICKSHANK: No; Matsqui is where the building is. Where the men are living is at Aldergrove. The navy personnel have to travel sixteen miles from Aldergrove to the building.

Mr. MACDONALD (Kingston City): I cannot tell my hon. friend exactly what it is proposed to do there, but I may say that a considerable sum is set aside in the estimates for construction of works and buildings at three places out there, of which I assume Aldergrove is one. The sum of $187,000 has been set aside for the construction of works and buildings, and I have no doubt that the barrack building to which he refers is included in that.

Mr. FRASER (Peterborough West): I should like to ask the minister how much more it will cost to complete Deep Brook, or Cornwallis, and, if possible, I should like to know how much it has cost so far.

Mr. MACDONALD (Kingston City): I will turn that up in a moment.

Mr. FRASER (Peterborough West): While the minister is looking it up, could he tell me if all the different buildings for the men will have lockers in them? I understand that at the present time one or two of the buildings have lockers, or "decks" I believe they call them, but not all of them have lockers.

Mr. MACDONALD (Kingston City): I assume that lockers will be provided as quickly as they can be had. It is important that the men should have lockers in which to keep their clothing and other gear. My hon. friend asked what was the cost and what are the proposed future requirements at Deep Brook. I may tell him that up to January 31 of this year there was expended, in round figures, $7,848,000, and the estimated cost to complete is $1,043,000.

Mr. FRASER (Peterborough West): Does that include the dock at Cornwallis?

Mr. MACDONALD (Kingston City): Yes. I have the information here. The wharf is included in the totals which I have given my hon. friend.

Mr. FRASER (Peterborough West): Does the department intend to extend that dock out another 500 or more feet in order to accommodate corvettes and other naval ships which come in there? Will it be extended farther into the Annapolis basin?

Mr. MACDONALD (Kingston City): No, I think not. I do not believe any such extension is contemplated.

Mr. FRASER (Peterborough West): That means that the boats which come there will have to anchor outside?

Mr. MACDONALD (Kingston City): Not all the boats. There are a great many boats which come to the wharf.

Mr. FRASER (Peterborough West): But they can stay only a short time.

Mr. MACDONALD (Kingston City): Well, at high tide, I think, almost every boat can come into that wharf.

Mr. FRASER (Peterborough West): But at low tide?

Mr. MACDONALD (Kingston City): At low tide only a certain type of boat can come in.

Mr. FRASER (Peterborough West): That is why I wondered if the minister was going to extend the wharf out.

Mr. MACDONALD (Kingston City): No, I think not; probably the cost would be too great.

Mr. BLACK (Cumberland): Could the minister state what the depth of water is at that dock at average high tide and the depth of water at extreme low tide?

Mr. MACDONALD (Kingston City): There is more than a twenty-foot difference between high and low water in that bay.

Mr. FRASER (Peterborough West): I think twenty-eight feet in the minimum, and it sometimes runs to thirty-two feet, as the extreme.

Mr. MACDONALD (Kingston City): That may be in some places. What it would be around the wharf I am not sure, but I will look into the matter.

Mr. MARSHALL: I see that this item covers buildings only and that the sum of $17,990,462 covers expenditures in connection with the erection of other new buildings or repairs to old buildings. Would the minister give a break-down of that amount, showing what will be spent on new buildings and what will be spent on old buildings; also a break-down of the $6,715,891 into the three separate items of repairs, operating expenses and rentals.

Mr. MACDONALD (Kingston City): I will just give round figures. The first item of $17,990,000 covers capital expenditures on properties. Of that sum $16,571,000 is for works and new buildings, and $1,418,000 is for machinery to be purchased. The $6,715,000 is made up as follows: fuel, $1,619,000; rentals, $650,000; telephones, $136,000; repairs to buildings, $691,000; alterations to buildings, $1,159,000; repairs to machinery, $177,000. Then there is an item, maintenance proper, $2,255,000. Those taken together aggregate the sum set forth in the estimates.

Mr. BLACK (Cumberland): Did I understand the minister to say that at high tide the depth of water at the wharf at Deep Brook was twenty feet, and that there was no depth of water at low tide?

Mr. MACDONALD (Kingston City): That is not what I said at all. I was asked the difference between high and low water in the basin and I made a rough estimate of twenty feet.

Mr. BLACK (Cumberland): The question I asked was what was the depth at the wharf at extreme low tide.

Mr. MACDONALD (Kingston City): I am not sure. I know that smaller boats, how small I do not know, can use the end of the wharf at any state of the tide, but whether it is six or eight or five feet at extreme low tide I do not know. I will find out and give my hon. friend that information.

Mr. FRASER (Peterborough West): What does Stadacona No. 2 at Halifax cost? Has the department acquired any new camps for the sea cadets? I understand that there are 5,000 more sea cadets this year. Are there any new summer camps acquired for them?

Mr. MACDONALD (Kingston City): When my hon. friend refers to Stadacona No. 2, he is referring to the building we acquired from the air force?

Mr. FRASER (Peterborough West): Yes, and you made a number of change-overs there, did you not?

Mr. MACDONALD (Kingston City): We made some slight changes to the interior of the building. I do not know that they are fully completed or that I could give my hon. friend the exact cost to date.

Mr. FRASER (Peterborough West): Were there not some swimming pools put in there?

Mr. MACDONALD (Kingston City): We did not put them in. Any alterations we made would be of a relatively minor nature, because the building had already been used as a barracks for the air force.

Mr. FRASER (Peterborough West): It is supposed to be a fairly good building?

Mr. MACDONALD (Kingston City): Yes.

Mr. FRASER (Peterborough West): Have any new properties been acquired for the sea cadets?

Mr. MACDONALD (Kingston City): As I intimated to the hon. member for Danforth this afternoon, we do not pay for any of these sea cadet camps. We provide for some maintenance, some naval officers, some help and some boats, but the camps are in existence because of the generosity and close interest of the Navy League of Canada and others.

Mr. FRASER (Peterborough West): There were no new camps taken over in the past year?

Mr. MACDONALD (Kingston City): Some new camps were opened last year.

Mr. FRASER (Peterborough West): That is the question I asked: not the cost, but which new ones were acquired.

[Mr. P. C. Black.]

Mr. MACDONALD (Kingston City): At Gananoque a new camp was opened, largely, I think, because of the interest of the Rotary club of that town. I have a list of the camps here. There were camps at Comox, on the east coast of Vancouver island; Chestermere lake, at Calgary—that was not new; lake Wabamun, not far from Edmonton; Shepley island, not far from Saskatoon; Stevenson's point, near Winnipeg—the sea cadets have been there before; lake Eva, 125 miles from Port Arthur; Kitchigami, not far from London; Princess Alice camp, on Georgian bay; Queen Elizabeth camp, on Georgian bay—that was opened a year before. There was a new camp at Rotary island, not far from Ganonoque; and a camp at Crow island, near Three Rivers —I think that was new last year. There was a camp at Buchan, not far from Charlottetown. There was Rainbow haven, twelve miles from Halifax, which was also opened in previous years. These are the thirteen camps which were opened in various parts of the country.

Mr. STIRLING: None of them belonging to the dominion government.

Mr. MACDONALD (Kingston City): No.

Mr. STIRLING: Last year the sea cadet camp on the west coast was at Comox, and I was informed it was not the intention of the minister to use it again for that purpose. Does the minister know whether that is the case?

Mr. MACDONALD (Kingston City): I cannot answer my hon. friend. Is the camp being put to some other purpose this year; is that the question?

Mr. STIRLING: What I was told was that another site more suitable for the purpose of a sea cadet camp was being considered and that it was not likely that Comox would be used again.

Mr. MACDONALD (Kingston City): I could find that out from the coordinator of sea cadets. It may be that the camp is to be put to some other use this year. Last year it was quite a large camp; 574 boys attended.

Mr. FRASER (Peterborough West): During the past year have any new barracks been built for the Wrens, or are any new ones contemplated this year?

Mr. MACDONALD (Kingston City): Speaking subject to possible correction, I think the only new building we actually erected for the Wrens was at St. John's, Newfoundland. We did acquire several existing buildings in several parts of the country for the use of the Wrens, and in fact we built other buildings, too.

Mr. FRASER (Peterborough West): They are under rental?

Mr. MACDONALD (Kingston City): Some of them have been bought, in fact most of them. There may be one or two under rental.

Mr. SINCLAIR: This afternoon the hon. member for Vancouver South spoke at some length on the war against Japan in the Pacific. While I, too, am a Vancouver member, I must say that I am more in accord with the views of the minister and the hon. member for Broadview in that our job with the navy is the battle in the north Atlantic. We in British Columbia are aware of the fact that the Canadian navy will eventually fight in the Pacific against the Japanese. Having that in mind, may I ask how much of the $17,000,000 to be spent in the current year will be spent in the great harbour of Vancouver, where certainly the British navy and parts of the Canadian navy will be based at dockyards and piers, which will have to be built in advance, without detracting from the efficiency of Canadian ships in the north Atlantic.

Mr. MACDONALD (Kingston City): The question of works and projects to be undertaken in Vancouver harbour is still under consideration. There is ample scope within the estimates to take care of any expenditure which we may find it necessary to make there, but the whole discussion is still proceeding and nothing definite has been settled as to just what will be done in the harbour.

Mr. SINCLAIR: Is this discussion based on the needs of Canada's navy out there at the present time or on the basis of what the British navy and the Canadian navy will need when they fight Japan?

Mr. MACDONALD (Kingston City): Perhaps my hon. friend will allow me to give a little thought to that question and bring down the answer later. We did acquire from the Department of Transport the right to use certain sheds on one of the harbour commission piers in Vancouver and that helped us out for the time being. I am not sure, and I do not think anyone in the department is sure, whether that will be sufficient to take care of our needs. It may be that we shall have to put up still more storage space in Vancouver harbour, but that is a matter which is still being considered and which I should like to have an opportunity of thinking over before replying.

Mr. SINCLAIR: I think the war in the Pacific will involve more than a few sheds and a government pier. I suggested the other evening that the great harbour space in North Vancouver could be used. It is not a matter of building docks when the war actually develops out there.

Mr. MACDONALD (Kingston City): It is not a matter of building docks now? I thought my hon. friend was advocating the building of a naval dock.

Mr. SINCLAIR: I am advocating just that, on the north shore of Vancouver harbour.

Mr. MACDONALD (Kingston City): I thought my hon. friend said it was not a matter of building docks. I did not hear him correctly. I shall be glad to give him a considered answer later. I have no doubt he is interested in the harbour of Esquimalt. There is an estimate for Esquimalt of $968,000 in connection with the dockyard joint service magazine and fueling depot at that point. If my hon. friend will be good enough to let me look at the Vancouver matter I shall give him an answer later.

Mr. CRUICKSHANK: Will the minister look up for me the aggregate item? I am interested in knowing whether there is provision there for the locality with which I am concerned.

Mr. MACDONALD (Kingston City): I told my hon. friend there was an aggregate item of $187,000, and I am sure his locality is one of the places to be taken care of under that item.

Mr. CRUICKSHANK: I am afraid the $187,000 represents money spent last year.

Mr. MACDONALD (Kingston City): Oh, no. This is for the next year.

Mr. MARSHALL: May I refer to the question of camps for sea cadets. Did I understand the minister to say that such a camp was located at Wabamun, near the city of Edmonton? Would the minister tell the committee the size of the camp, when it was located there, and whether there are any other camps in Alberta?

Mr. MACDONALD (Kingston City): The Wabamun camp was under the supervision of Edmonton. There was another camp, the Chestermere lake camp, fourteen miles from Calgary. These are the only two in Alberta. The number of boys attending Wabamun camp was 119, and those attending Chestermere lake camp, 462.

Mr. CRUICKSHANK: If the minister would be considerate enough to lower his voice we might hear what is being said behind the curtains.

Mr. MACDONALD (Kingston City): I thank my hon. friend.

Mr. BLACK (Cumberland): May I ask a question with regard to the gymnasium at Wellington barracks? The cost of this gymnasium would appear to the ordinary person to be extravagant, most excessive. I do not want to be interpreted as criticizing expenditures for giving all the equipment, facilities and comfort necessary to the men in the navy. I think it is the view of the people of Canada that there is nothing too good for the navy. They have the good will of everybody, particularly the women all over Canada. On the other hand, when there is an expenditure of $645,000 or thereabouts for a gymnasium and swimming-pool in connection with Wellington barracks a great many people in my province wonder if this very large expenditure is really necessary. Many people who subscribe according to their means to bonds and pay heavy taxes have serious misgivings about some of those excessive expenditures or what they interpret as excessive expenditures in connection with the minister's department. The department has expanded greatly since the outbreak of the war. At that time it had only 1,774 men in the service, and the whole Canadian navy, big and small, was represented by fifteen vessels. I do not hold the minister to account for that. But I say the figures which were given as the basis of the growth of the navy are a most serious reflection on the government and those who had the responsibility of preparing Canada to defend itself and its shipping when war broke out. The minister was not in his present position at that time, and I do not hold him responsible. On the other hand, I consider it to the discredit of those who had the responsibility in the years leading up to the war.

I should like to ask the minister what is the justification for this very large expenditure on the gymnasium built at Wellington barracks, Halifax, which I think has the special name of Stadacona?

Mr. MACDONALD (Kingston City): I can only say to my hon. friend that it is a very large physical training building. The estimate is considerably less now than the original estimate. The original estimate was cut down quite drastically. There is a swimming-pool in the building, but I think that is an absolute necessity for men who are taking on duties at sea; and to show that there is no extravagance I received not long since a letter from a citizen of Halifax who urged that the swimming-pool should be, as most swimming-pools are, tiled instead of lined with cement. He pointed out that tile was much more sanitary, that men were likely to contract athlete's foot one from another if cement were used. We have not agreed even to spend the extra five or six thousand dollars that it would cost to tile that swimming-pool and the adjacent floor.

This is a physical training building. It is very large. It is well fitted out but not extravagantly fitted out. I can get my hon. friend more details by to-morrow; but I think I can assure him that every economy which could be reasonably practised was practised there.

Mr. BLACK (Cumberland): This expenditure may be justified, but a great many of the taxpayers do not appreciate that it is. That expenditure would build practically the entire equipment of some of the smaller universities that we have down east. What composes the whole set-up of Wellington barracks? I understand that one part of it is called Stadacona No. 1 and another part Stadacona No. 2, and perhaps there are other sections of the naval establishment at Wellington barracks. Could the minister give the committee this information?

Mr. MACDONALD (Kingston City): Stadacona No. 2 is what used to be called the "Y" depot, the building used by the air force. Stadacona proper, that is, the old Stadacona, is the original site. My hon. friend is familiar with it. I may say with regard to the physical training building that a great many men would rely on this physical training building for physical training and exercise. For instance, at Stadacona there are roughly 12,000 men. That does not take in men who might be visiting the port in ships.

Mr. FRASER (Peterborough West): They are all allowed to go into the swimming-pool?

Mr. MACDONALD (Kingston City): Oh, yes, it is for all naval personnel. They are allowed not merely to go into the swimming-pool but to use the parallel bars and all the physical training appliances in this building. No university in this country has anything like 12,000 men or men and women put together. No university here has half that number, so that there is, I think, a great need for a proper physical training building.

Mr. POTTIER: May I suggest to the minister that if there is any question about giving them tile, give them the tile.

Mr. BLACK (Cumberland): I should like to ask the minister what interest his department has in connection with the old exhibition grounds and the exhibition equipment at Halifax? I am not sure whether it is under the control of the army or the navy. I understand that the navy has an interest in part of it at least. This property was taken over from the province of Nova Scotia, as I understand it, for

the sum of $225,000, or thereabouts. I am not sure whether that includes the entire property. Large expenditures were made on it, the contractors being the Fundy Construction company, $262,606; R. & A. Parsons, $323,293; W. G. Foley, $59,778, and nearly $70,000 in furnishings and equipment. Then there are the grandstand and the outer building. I should like to know what part of this building is used by the Department of National Defence for Naval Services and whether the minister's department is responsible for this additional building or works constructed on the property?

Mr. MACDONALD (Kingston City): I think I can say to my hon. friend that the army now has control of all the exhibition building and grounds. We were there for a time, and we may now have a small storehouse on one corner of it for the storage of mine-sweeping gear, but I think the army is exclusively in control there.

Mr. BLACK (Cumberland): Were these new structures built by the army or by the minister's department?

Mr. MACDONALD (Kingston City): I do not think we built any new structures, certainly no large ones. We had to do some building there because men were sleeping under the grandstand for a time. We had to put in bunks and we had to put in heating and so on. Inevitably what would be suitable as an exhibition building would not be suitable as a barracks, and therefore we had some repair work to do on the building. Now the whole matter is under the army.

Mr. BLACK (Cumberland): I understand the King Edward hotel has been purchased by the Department of National Defence for Naval Services. For what purpose is it being used, and was due consideration given by the department to the inconvenience of the other users of this property when they were displaced, in view of the great scarcity of hotel accommodation in the city of Halifax?

Mr. MACDONALD (Kingston City): At the moment I cannot give my hon. friend the cost to us of the King Edward hotel, but my recollection is that this building had not been used as a hotel for a great number of years. We took over the King Edward hotel and certain other adjacent property, and are using it now as a canteen, cafeteria, restaurant and that sort of thing.

Mr. BLACK (Cumberland): I see by a return which was brought down that the property was purchased for $26,500.

Mr. MACDONALD (Kingston City): It was a very good buy.

Mr. BLACK (Cumberland): Then I should like to ask the minister about the construction of the wireless and telegraph station at Dartmouth. A fairly considerable expenditure has been made there to the Fundy Construction company, amounting to $129,751. What is that used for?

Mr. MACDONALD (Kingston City): I presume my hon. friend refers to Albro lake, outside Dartmouth. If my hon. friend wishes to know the total cost I shall have to get that information for him, but the work there is for a wireless station.

Mr. BLACK (Cumberland): Then I should like to ask with regard to the very large expenditure on the navy armament depot at Dartmouth, which appears to have cost nearly $3,000,000. For what purpose is that required?

Mr. MACDONALD (Kingston City): That will be for the storage and repair of guns of all kinds.

Mr. BLACK (Cumberland): If repairs are carried on there, is it equipped with a machine-shop capable of doing general overhaul work?

Mr. MACDONALD (Kingston City): Yes; storage and repair.

Mr. BLACK (Cumberland): What is the policy of the department with respect to the searching of titles and other legal services? In this return brought down some time ago I notice there are about sixty properties owned or controlled by the department, and two or three names appear constantly in this report as those of men who have rendered legal service. Mr. J. E. Rutledge has many accounts in, though in connection with some of them his charges are not known. I see the name of Mr. J. W. Godfrey, and there are several others. Has it been the policy of the department to engage different law firms or solicitors in connection with titles, or has the department some official on its own staff who is doing this work?

Mr. MACDONALD (Kingston City): There is no official in the department of naval services to do that work, unless we took men who are doing other work and sent them there. In any event, the common practice would be to get in touch with a local lawyer who would be familiar with the methods of searching in the province concerned. Furthermore, when we wish to have any legal work of that kind done we consult the Department of Justice and ask them to see that it is looked after.

Mr. BLACK (Cumberland): Have Mr. R. M. Fielding, Mr. J. W. Godfrey and Mr.

J. E. Rutledge any special qualifications beyond those possessed by scores of other solicitors in the city of Halifax for doing this work for the department?

Mr. MACDONALD (Kingston City): I told my hon. friend a moment ago that I do not appoint any of these men. These matters are handed to the Department of Justice, which selects the men who are to act for it in the various localities. As to Mr. Rutledge, Mr. Godfrey and Mr. Fielding, I think any of them would be quite competent to search titles.

Mr. BLACK (Cumberland): I think they have been very carefully selected by some standard or another.

Then I should like to get some information with respect to the naval set-up at Point Edward, I think, in Westmount, at Sydney harbour on Cape Breton island. What has been the total expenditure there; what is the equipment, and for what purpose is it used? While the minister is dealing with this, I should like to know the loss that was entailed in the fire which occurred a few months ago and whether he has any information as to the cause of the fire at that establishment, as well as the causes of fires at various other defence establishments not only in Nova Scotia but elsewhere throughout Canada. A great deal of uneasiness has been caused among people generally by these fires which have destroyed establishments either under the control of the department or erected for the convenience and comfort of men in the services. Great losses have been caused to those who for patriotic reasons have made personal contributions in order to see that the enlisted men should have all possible advantages and comforts.

Mr. MACDONALD (Kingston City): The amount expended at Sydney to December 31 last was $9,662,000, and it is estimated that it will cost $840,000 to complete the work. My hon. friend asked as to the purpose of this institution. There is at Sydney a complete naval base consisting of barracks, officers' quarters, canteens, mess halls, wardrooms, schools, training accommodation, store buildings, recreation facilities, shops, laundry, bakery, post office, a marine railway, fire station, pump station, chapel, hospital and so on. It is a fairly complete naval base.

Mr. BLACK (Cumberland): Would the minister give information as to the cause of the fire at Point Edward or Westmount, and other points in Nova Scotia, with particular reference to his department?

Mr. MACDONALD (Kingston City): The fire which destroyed the Sydney pier was caused by certain welding operations carried on there, which ignited the oil carried in a fuel pipe running under the wharf. The fuel pipe ran through a tunnel inside the wharf, or under the wharf. That made it very difficult, of course, to get at the seat of the fire to extinguish it.

The great difficulty is that now and again we have complaints as to the cost of building. However, when we start to put up a proper type of building, that is a fireproof one, we are criticized for spending too much. As we see now, the wharf at Sydney undoubtedly would have been better had it been concrete, in the beginning. It would have cost more initially, of course, but in the long run we would have saved money. But we tried to get along and hoped we might get by with a wooden wharf. We did not succeed, unfortunately, in this instance.

The fire at Shelburne was caused by an overheated boiler in a building on the wharf.

Mr. BLACK (Cumberland): There is no suspicion of sabotage in connection with any of the fires which occurred on the department's property?

Mr. MACDONALD (Kingston City): No.

Mr. BROOKS: Was there any insurance on any of these buildings, or is that in line with the department's policy?

Mr. MACDONALD (Kingston City): There was no insurance. The policy of the dominion government is not to insure buildings, on the theory that by spreading the risk among a great many buildings they save money by not insuring.

Item agreed to.

5. Personnel supplies and services: Food, medical and dental stores, clothing and personal equipment, $27,846,280.

Mr. NICHOLSON: I have before me the recommendations made by the national health survey and tabled by the Minister of National Defence a few days ago. It is stated here that the ratio for medical officers per 1,000 troops in the army in Canada is 4·98, whereas overseas it is 3·83. In the entire service in the army, in Canada and overseas, the ratio is 4·5 per 1,000.

In the navy the ratio is 4·9, and in the air force it is 3·66. The report says:

> In order to properly assess these ratios, it is necessary to study carefully the factors appearing in the appended tables. The air force has perhaps the least complex organization; it has also the lowest ratio. Many medical officers in all the services find their work less onerous than work which they had been accustomed to in civil practice. In the short time at the disposal of the committee it was not possible to study this subject exhaustively, and we did not feel competent to make any arbitrary

recommendation. The committee is, however, of the opinion that a ratio of 3·5 to 3·7 per thousand should provide ample room for all medical needs. This statement, however, must be interpreted broadly in the light of indeterminate overseas requirements.

Would the minister be in a position to illuminate this statement? We find that in the air force the ratio is 3·66, and it is pointed out that they have the least complex organization. Could the minister give some explanation as to why the ratio in the navy and the army appears to be a good deal higher than in the other service?

Mr. MACDONALD (Kingston City): What is my hon. friend quoting from?

Mr. NICHOLSON: From the report tabled on Monday by the Minister of National Defence, containing the recommendations of the Canadian medical procurement and assignment board.

Mr. MACDONALD (Kingston City): I would have to consult the medical people about that. I should think, however, that one factor which would serve to bring up the navy's average would be this: If you send a doctor to sea on a corvette, a frigate or a destroyer, with a personnel of 100, or 200 at the most, obviously the average would be raised. But we have to do that in many cases. If all our men were on land, as they are in the air force and the army, it would be a different story. But we have small detachments at sea, in small ships. While all ships do not have doctors, yet a good many of them have. I fancy that would put the navy in a somewhat different position. However, that is just my own view, and I shall have to consult the medical people to see if there is any further statement to be made.

Mr. NICHOLSON: Another paragraph states:

> Army tables indicate the small amount of inter-service hospitalization which exists as between the navy, army and air force. It is felt that inter-service hospitalization should be encouraged wherever possible. This would relieve the burden carried by Department of Pensions and National Health hospitals and would promote interlocking of service medical facilities.

I have not had an opportunity to study in detail this very long and interesting report. Could the minister make a statement as to the possibility of having more extensive co-operation between the medical services of the army, the air force and the navy. For example, in large centres like Halifax, Montreal, Toronto and Vancouver it seems to me, a layman, that greater cooperation might result in the conservation of medical personnel, and also in providing a more complete hospital service for those who are admitted.

Mr. MACDONALD (Kingston City): I shall look into that again, along with the other question my hon. friend raised. But I may say there is a great deal of cooperation now. We are building a hospital at St. Hyacinthe, where we have a large naval establishment. But from there to the west coast we have no hospitals of our own. We have to use either civilian hospitals or hospitals of the other services. Where we have a hospital, such as that at Halifax, I think we do work for the other services, as well. They possibly do the same for us. Similarly, at St. John's, Newfoundland, where we have a large naval hospital, the same would apply. However, I shall be glad to get the opinion of the medical branch on that point, and give my hon. friend an answer later.

Mr. NICHOLSON: I have one further question I should like to ask. Section 32 in the report states:

> The whole picture presented as a result of this survey would have been more complete if information as to medical organization and the utilization of medical personnel overseas had been before us. The committee has not had time to secure information on the latest medical organization plans of the united nations. It is thought that these nations must have learned much by experience that would be of value in Canadian training and administrative arrangements. It would be useful if someone acting on behalf of the medical services in Canada could make an active endeavour to secure full information as to the medical organization in the united nations and their programmes and procedures.

It seems to me a pity that this matter did not receive consideration before the report came in. I wonder if the minister would consult his officers and see whether in the near future this recommendation might be given consideration.

Mr. MACDONALD (Kingston City): I would rather do that.

Mr. McCANN: The matter about which I have to speak, very briefly, has to do with the medical services not only of the navy but of all the armed forces of Canada. On previous occasions when the resolutions with reference to the war appropriations of the armed services were up for consideration I made observations with reference to promoting an amalgamation of the medical services in the three divisions. For reasons best known to the government, the recommendations which were made were not followed. But in the very document from which the last speaker has been quoting, namely, the report of the procurement and assignment board, the position which I took has been vindicated. I bring that to the attention of the minister in the hope that

the recommendation which I make at this time may receive more favourable consideration than did former recommendations.

I have no doubt that when the European war is over and Canada is called upon to take part in the Pacific war, our naval services will be engaged in the southern Pacific. Our air forces and our land forces may also be engaged there. I wonder if information could be secured with reference to what tropical diseases any force which we might send to the Pacific theatre of war might face. The suggestion I am going to make is that we have sufficient personnel in the medical services of the armed forces of this country, and some of them might take time now to become somewhat proficient in the treatment of tropical diseases. The information which I have been able to gather, both through medical journals and through newspapers, is to the effect that the Japanese in the present war are suffering more casualties by virtue of tropical diseases than they actually are from bullets. If such be the case, one can easily visualize the difficulties which any Canadian forces might have if they go to that particular theatre of war.

In any of the medical schools in this country tropical diseases are not studied to any extent. It might be of interest to the minister to know that the British government maintains a school in London for the study of tropical diseases. The United States government also maintains a school, which I think is at present situated at New Orleans, for the study of tropical diseases. Men who study medicine in this country and practise here have no occasion to come in contact with any of these diseases, and by virtue of that fact they are not conversant either with the diagnosis or with the treatment of tropical diseases.

The suggestion which I have to make to the minister is this, that he confer with his colleagues the Minister of National Defence for Air and the Minister of National Defence proper, with a view to taking fifty men from each of these services and making arrangements with the authorities either in the United States or in Great Britain that these men could go and take a four or a six months course in the study of tropical diseases, so that when our armed forces come to operate in the Pacific we shall have men in our navy, army and air medical services who will be conversant with tropical diseases, as to both diagnosis and treatment. It would be money and time well spent, and if it is a fact that there are some casualties from these diseases what I have suggested would certainly be of great benefit to the men in the armed forces.

[Mr. McCann.]

Tropical diseases are treated by specific types of drugs. I wonder if provision has been made for obtaining as much as possible of these drugs. For instance, there is only one specific drug—quinine—and a new synthetic drug, made for the treatment of malaria. I had occasion a year ago last fall to be in St. Louis at the convention of the American Public Health Association. St. Louis is the distributing centre for all the services of the United States as far as ordnance and supplies go. I was shown there $50,000,000 worth of quinine and opium which had been bought up by the United States government and stored there. While we have nothing like that amount, I wonder if there has been any bank of drugs procured and stored to be used for the forces in the event that these drugs are needed.

I would ask the minister to take up this suggestion with his colleagues, particularly with the directing forces of the medical forces in the various departments, and to give at least some consideration to a suggestion which I feel will prove of practical value in the event of Canada entering the Pacific war.

Mr. MACDONALD (Kingston City): I am glad to hear my hon. friend speak on that subject, and I am happy to be able to tell him and the committee that for some time certain naval medical officers have been giving study to the matter of tropical diseases. As a matter of fact, one of the naval medical officers to join early in the war was a man from western Canada who was in London at the outbreak of the war, studying tropical diseases. He attached himself to the Canadian navy then, and is still with us. Since then a good many others—I do not know just how many, but I will look into it—have taken up the study of tropical diseases. I should be very glad to carry out my hon. friend's suggestion of talking over this whole matter with the other two service ministers and cooperating with them in what is and what will be, I am sure, a very important branch of medical work.

Mr. STIRLING: Now that the public is taking so much more intelligent a view with regard to the prevention of venereal disease, would the minister tell the committee what steps are being taken in the navy to battle with it, and to what extent they have been attended by success?

Mr. MACDONALD (Kingston City): In a general way I can only tell my hon. friend that I think every effort is being made, but perhaps I should let that question stand and get a more detailed answer from the medical authorities to-morrow. I know that they, in

common with all service medical authorities, are bending every effort to prevent the occurrence of this disease, but as to the exact details of what they are doing, I should like to get information from the doctors themselves.

Mr. STIRLING: I should be glad if the minister would do that; and also, perhaps, he could describe how many of the Canadian ships carry medical officers and how treatment is carried on where necessary in the smaller ships on which there are no medical officers.

Mr. MACDONALD (Kingston City): Yes.

Mr. BLACK (Cumberland): I should like to ask the minister with respect to facilities at the different naval stations regarding testing for night vision, whether these facilities are available at different training bases, such as Stadacona, Cornwallis, Sydney and so on.

Mr. MACDONALD (Kingston City): I should assume that they are. I know that the navy is one of the pioneers, and that, under the direction of Doctor Best and others, great attention has been given to this matter of night blindness and night vision. I should assume that every establishment has adequate facilities. But that is another matter which I shall look up and get a story on from the medical officers.

Mr. BLACK (Cumberland): I wish the minister would pay particular attention to the checking of Stadacona before long. I would also ask him with respect to the milk supply at Deep Brook. I understand that the milk requirements are largely obtained from condensed milk, canned milk, rather than milk in bulk. If that is correct, will the minister give the explanation?

Mr. MACDONALD (Kingston City): It is correct. For the moment at any rate I understand that there is not enough milk available in that locality to supply the requirements of the camp, which is a large camp of nearly 7,000 men. Consequently it has been found necessary to resort to milk powder, and machines have been installed which reconstitute this powder into milk at the camp.

Mr. BLACK (Cumberland): That would be much more expensive, I presume, than obtaining milk from the producers?

Mr. MACDONALD (Kingston City): It is impossible to obtain it from the producers.

Mr. BLACK (Cumberland): I understand that preference is given to producers if they are able to provide the milk?

Mr. MACDONALD (Kingston City): If they could provide whole milk we would be glad to take it, but Deep Brook is midway between two relatively small towns, Digby and Annapolis, Annapolis with a population of about 1,200 and Digby with perhaps a few hundred more. There is no large city near at hand, and the only milk supply there, as I see it, would be from the farmers in the country around, and that has not proved at all adequate for the purpose.

Mr. CRUICKSHANK: Move the camp to British Columbia.

Mr. BROOKS: I have heard it reported that the Wrens do not get a new uniform until the old uniform has been worn almost threadbare. What is the policy on refitting and providing the Wrens with new uniforms?

Mr. MACDONALD (Kingston City): I should hardly think my hon. friend's information would be correct. The policy with regard to clothing for men and women is that they are given a complete outfit of clothing when they join. Then the Wrens are given a special allowance of $15 when they join to provide themselves with knick-knacks of one kind or another; also $44 a year to provide themselves with clothing, and an additional allowance of $3 a quarter or $12 a year to provide themselves with toilet necessities and—

Mr. MACKENZIE (Vancouver Centre): Accessories.

Mr. MACDONALD (Kingston City): — other articles of feminine apparel.

Mr. BROOKS: The men in the army get two uniforms when they enlist, and I was wondering if the Wrens are treated the same.

Mr. MACDONALD (Kingston City): The men in the navy are treated not quite so well as the Wrens. The government does not issue clothing to the men, except in the first instance. After that, the man has to buy his own clothing. But he is given the money, $44 a year, with which to buy it. The Wrens are also given the $44 a year and the other sums I mentioned, $15 at the start, and $3 a quarter.

Mr. ROSS (St. Paul's): What about clothing when they are discharged? Is the policy the same as for the army and the air force? Do they take their clothes with them?

Mr. MACDONALD (Kingston City): We let them keep a uniform.

Mr. ROSS (St. Paul's): Is there any difference between the clothing allowance given to men in the navy and that given to men in the army and the air force?

Mr. MACDONALD (Kingston City): The clothing allowance on discharge is the same amount.

Mr. ROSS (St. Paul's): The same all the way through?

Mr. MACDONALD (Kingston City): Yes.

Item agreed to.

6. Signal and wireless equipment, line construction, et cetera, $19,759,334.

Mr. STIRLING: This item is three times as great as last year. Would the minister explain the reason for that? With regard to signal and wireless equipment, does the navy do as the other two services, request Munitions and Supply to do their purchasing, or does the navy buy their own equipment direct? Which ever case it is, will the minister tell the committee how much is obtained from Canadian manufacturers and how much is brought in from equipment manufacturers in other countries?

Mr. MACDONALD (Kingston City): I do not know that I can answer all my hon. friend's questions, but I can answer some. First of all, all this equipment is bought through Munitions and Supply, who do all the purchasing for the navy, as for the other departments. The reason for the increase is as follows: In the first place, orders which were placed a considerable time ago will come in for payment this year. Orders for this equipment have to be placed far in advance sometimes. Then, of course, new signalling and wireless equipment is constantly coming into use. More ships will be in service next year and that will add to the total cost.

Mr. STIRLING: Is the principal part of this amount for instruments?

Mr. MACDONALD (Kingston City): The greater part of it would be for instruments of one kind and another on ships. To give my hon. friend one or two items, let us take corvettes. We estimate that the total cost will be $3,500,000 or thereabouts. That will include new wireless telegraph equipment and so on —R.D.F. as it is called—and maintenance thereof.

Mr. STIRLING: Does the minister mean all corvettes at present building?

Mr. MACDONALD (Kingston City): All our corvettes in commission. And so with other ships, minesweepers, cruisers, destroyers. The greater part of this item is, therefore, expenditures on ships.

[Mr. Douglas G. Ross.]

Mr. STIRLING: Does the minister mean that the $3,500,000 is locked up in instruments in all the corvettes we possess?

Mr. MACDONALD: (Kingston City): That is right. That is what we estimate for this year.

Mr. STIRLING: For this year?

Mr. MACDONALD (Kingston City): That is what we estimate it will cost this year for this purpose. All this signal wireless, R.D.F., on corvettes alone will amount to nearly $3,500,000, and other ships proportionately. Then, of course, there is some of this, a relatively minor amount, for use at bases, radio stations, and training establishments.

Mr. NOSEWORTHY: Will the minister tell us more definitely the reasons why this item is nearly five times as much this year as last year? It was $4,500,000 last year and this year $19,759,000, which is between four and five times as much, while the requisition for purchase and construction of ships is only about half as much.

Mr. MACDONALD (Kingston City): This does not apply merely to new ships. I may say that there is probably no field of naval warfare to-day in which there are so many changes as in this very matter of wireless equipment of one kind or another. It is not merely the sending of messages from one ship to another or from ship to shore; there is a great variety of ways in which radio and wireless can be used for detection purposes and purposes of communication. It is not simply new ships coming into commission this year that have to be equipped. Old ships have to have their equipment renewed or modern equipment installed; and, as I pointed out to the hon. member for Yale, we find this year that a considerable number of orders, placed some time ago, are coming for payment. Goods are being delivered this year and payment must be made. In connection with some of it, a relatively minor amount, the increase is on account of increased facilities at bases where we have training establishments. Generally, I think I can say that the great bulk of the increase is owing to the necessity of having modern equipment on both old and new ships.

Mr. CRUICKSHANK: May I ask the minister whether the land line being constructed at Aldergrove by a private company is being built by the company on behalf of the Department of National Defence for Naval Services? My impression is that it was being built under contract by a private company for the minister's department. Second, in regard

to the changing over of these miniature carriers, in connection with signalling equipment, is that under the minister's department or under the Department of Munitions and Supply? There are several carriers at Vancouver.

Mr. MACDONALD (Kingston City): That is a British commitment.

Mr. CRUICKSHANK: Will the minister look up the question to-morrow with reference to the line construction to ascertain whether it belongs to his department or the private company?

Mr. MACDONALD (Kingston City): Perhaps my hon. friend means that the construction work was undertaken by a private company for us.

Mr. CRUICKSHANK: That is what I wish to know.

Mr. MACDONALD (Kingston City): I should think that is almost certainly the case.

Mr. CRUICKSHANK: The line will belong to the minister's department?

Mr. MACDONALD (Kingston City): Yes.

Mr. NOSEWORTHY: Will the minister tell us what part of this item is wanted for land-line construction and where this work is being done?

Mr. MACDONALD (Kingston City): Land-line and teletype and morse contracts amount to about $1,000,000. There is another item of about $1,000,000 for new land-line construction.

Mr. BLACK (Cumberland): Are any of the land lines being built on Cape Breton island, where they have had antiquated services?

Mr. MACDONALD (Kingston City): This deals with lines between, for instance, Ottawa and New York, or Halifax and Louisburg. What my hon. friend refers to is covered under a joint service arrangement with the army and the air force. That is, the provision of telephone lines in remote parts of the country. That is under another item.

Mr. BLACK (Cumberland): Under another item in the minister's estimates?

Mr. MACDONALD (Kingston City): There is an item here for the Atlantic command project, $250,000. I fancy the land lines my hon. friend has in mind would be covered by that.

Mr. BLACK (Cumberland): Does the minister care to give information as to whether the lines serving the northern part of New Brunswick, going into the gulf of St. Lawrence, and performing a very useful function, are being renovated? Perhaps he would give us that information later?

Mr. MACDONALD (Kingston City): Yes.

Mr. ROSS (St. Paul's): I have a few questions I should like to ask.

Item stands.

Progress reported.

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

Friday, March 17, 1944

The house met at three o'clock.

PRIVILEGE

MR. BLACKMORE — REFERENCE TO STATEMENT MADE BY THE PRIME MINISTER ON FRIDAY MARCH 10

Mr. J. H. BLACKMORE (Lethbridge): I rise to a question of privilege. Last Friday the Prime Minister rose on a question of privilege and attacked me for certain remarks I had made on Tuesday, March 7, as recorded on pages 1278-79 of *Hansard*. The Prime Minister's speech filled almost four columns of *Hansard*. Whoever prepared the speech the Prime Minister made, it caused him—

Right Hon. W. L. MACKENZIE KING (Prime Minister): What is the point of privilege?

Mr. BLACKMORE: —to make statements which he should never have uttered. The speech is full of untruths—

Mr. MACKENZIE (Vancouver Centre): Order.

Mr. BLACKMORE: —half truths—

Some hon. MEMBERS: Order.

Mr. MACKENZIE KING: I rise on a point of order. The hon. member has no right to say statements of mine are untrue at least before he states his question of privilege.

Mr. BLACKMORE: I do not think the Prime Minister heard what I said. I said, "whoever wrote his speech—"

Mr. MACKENZIE KING: I think my hon. friend is quite forgetting himself. However, I shall wait and hear what he has to say; but I assure him any statement or speech to which he may refer was my own.

Mr. BLACKMORE: I am sorry to hear the Prime Minister made this speech. There were a great many misrepresentations or instances of—

Mr. MACKENZIE (Vancouver Centre): Order.

Mr. SPEAKER: The hon. member cannot make such statements with regard to another hon. member.

Mr. MACKENZIE KING: May I draw Your Honour's attention to the fact that on a question of privilege an hon. member is supposed to raise his question as soon as possible. The hon. member has raised a question of privilege on some matter that took place a week or two ago.

Mr. BLACKMORE: At one point in his speech the Prime Minister said; as reported at page 1345 of *Hansard*:

> It is irresponsible and unwarranted utterances such as these, both inside and outside the house, which tend to destroy the faith of the people alike in government and parliament....

I had suggested to him that he tell the house whether or not the Liberal party had received campaign funds from the sugar interests, particularly the St. Lawrence Sugar Refineries and Mr. J. W. McConnell. He could have answered this question, but it has not been answered.

Mr. SPEAKER: The hon. member must state his question of privilege without argument.

Mr. BLACKMORE: Then, Mr. Speaker, may I point out that as a result of the Prime Minister's remarks many people in the country were deceived, and among them several prominent newspapers. I have in my hand an editorial—

Mr. MACKENZIE (Vancouver Centre): Order.

Mr. BLACKMORE: —from the *Globe and Mail*—

Mr. MACKENZIE KING: I submit Your Honour should rule on this procedure and have the hon. member obey the rules of the house.

Mr. SPEAKER: The hon. member—

Mr. BLACKMORE: I cannot hear Your Honour.

Mr. SPEAKER: The hon. member must state his question of privilege as shortly and concisely as possible without reference to what other people or the newspaper said.

[Mr. Mackenzie King.]

Mr. BLACKMORE: Mr. Speaker, in order to indicate the degree of deprivation of privilege which this editorial has inflicted upon me, it is necessary for me to read several passages; in fact I see no way of avoiding it. There are many instances of hon. members rising in this house to read statements from newspapers as evidence that their privileges had been violated, and I ask the same privilege to-day.

The editorial in question is contained in the Toronto *Globe and Mail* of March 13, 1944. It says in part as follows:

> Mr. Blackmore, who represents a constituency interested in beet sugar, had announced his suspicion that both the available quantity and price of sugar had been influenced by the operations of a sugar trust or combine, dominated by the St. Lawrence Sugar Refineries, of which Mr. McConnell is president. He also suggested that these operations might have been helped by governmental policy under the stimulus of contributions to the Liberal campaign fund made by Mr. McConnell.
>
> Mr. King made a categorical denial of these allegations.

Then farther down the editorial it says:

> In making such ill-founded charges, Mr. Blackmore is not the only sinner. Not a few radical demagogues are addicted to the habit of singling out for unfair attacks and imputing dishonest motives to all men who have managed by industry, initiative and foresight to acquire substantial fortunes.

Then still farther down:

> The Prime Minister's defence of Mr. McConnell will be applauded by many people...

I have no particular objection to that.

Mr. SPEAKER: Order. I have listened to the hon. member read the entire editorial in question. I assume what he is referring to is the last sentence, which he has just read. There may be a question of privilege in that, and I would ask the hon. member to confine his remarks to it.

Mr. BLACKMORE: It seems to me, Mr. Speaker, that if an hon. member makes a statement in this house, and another hon. member practically calls it a lie, a newspaper which makes a statement to that effect certainly is violating the privilege of that hon. member. The statement is here; "there was a categorical denial of every one of these allegations." However, I shall just pass that by. I should like to point out that the Toronto *Globe and Mail*, in effect and by implication, called me a sinner, a demagogue and an imputer of dishonest motives, and suggested that I classified as malefactors or public enemies those who had reaped great rewards by their ability and enterprise,

through perfectly honest means. I hereby challenge the *Globe and Mail* to justify its statement that I have merited any of those offensive remarks, by reference to my record either in this house or outside of it.

Now, Mr. Speaker, may I go on and refer once more to the remarks of the Prime Minister, which I think also violated my privilege. Under the rules of this house, as far as I can judge, it has been impossible for me to answer the right hon. gentleman. I had expected to do it the following day, but there were a great many things which took up the time of the house; the next day was Wednesday, and the following day was completely occupied with other business, so that I am taking the earliest opportunity of telling the Prime Minister and this country that the right hon. gentleman was altogether unjustified in characterizing my remarks as irresponsible utterances. I intend at the earliest opportunity to bring evidence before this house to indicate that I had ample justification for all the allegations I made on the evening of March 7.

While I am on my feet may I refer to the speech of the hon. member for St. Antoine-Westmount (Mr. Abbott), in closing the debate on the industrial development bank, again at a time when I could not answer him. The hon. gentleman took time off to refer to me in a way which was not justified.

Mr. ABBOTT: You took time off to discuss matters which were not relevant to the debate.

Mr. BLACKMORE: Very good. I wish to point out that on that occasion the hon. gentleman used the following words about me, as recorded in *Hansard*—

Mr. SPEAKER: The hon. member has stated his point of privilege, and I would ask him to conclude his remarks.

Mr. BLACKMORE: I could not hear what you said, Mr. Speaker.

Mr. SPEAKER: I think the hon. member has now stated his question of privilege as far as the reference to the Prime Minister is concerned; his other remarks, in reference to the parliamentary assistant to the Minister of Finance, are not relevant at the moment.

Mr. BLACKMORE: In closing, Mr. Speaker, I just wish to warn the two hon. gentlemen to be in their seats, because there is plenty of evidence that will require the most accurate—

Mr. MACDONALD (Kingston City): Surely it is not a question of privilege for the hon. gentleman to rise and warn people as to what he intends to do. There cannot be any privilege in that.

Mr. SPEAKER: The hon. member has concluded his remarks on the subject.

MR. HANSELL — SOCIAL CREDIT PARTY — RADIO TIME

Mr. E. G. HANSELL (Macleod): I rise to a question of privilege, which affects every Social Credit member of parliament, based on the report that the Canadian Broadcasting Corporation has allotted free time to the Liberal, the Progressive Conservative and the C.C.F. parties. My point of privilege is that the Social Credit organization in Canada, of which the Social Credit members of parliament form part, has been seriously discriminated against in the allotment of radio time—

Mr. SPEAKER: Order. That is not a question of privilege.

Mr. HANSELL: I shall have something more to say on this at another time.

BUSINESS OF THE HOUSE

REPORT OF COMMITTEE ON REVISION OF STANDING ORDERS

On the order for motions:

Mr. JEAN-FRANÇOIS POULIOT (Temiscouata): On the orders of the day, under the subtitle of motions, I read this:

March 7—Further consideration in committee of the whole of the report of the special committee on the revision of standing orders.

On a point of order, sir, I hope this item will be struck off the orders of the day, for the reason that the preamble of the report of the special committee was cremated by the Prime Minister on March 7, and its ashes have gone with the wind. But there is more to it, sir. I do not see how the committee of the whole house could consider the report without first having it sent back to the special committee to strike off the preamble and to number each suggested amendment. What appears now on the orders of the day reminds me of the metal coffin handles that are kept in some houses—

Mr. SPEAKER: We are now on routine proceedings. This matter can be dealt with when the debate in question is resumed. At the moment it is not in order.

DOMINION ELECTIONS

REFERENCE TO REMARKS OF MINISTER OF NATIONAL REVENUE IN HAMILTON ON MARCH 16

On the orders of the day:

Hon. GROTE STIRLING (Yale): May I ask the Prime Minister whether the statement reported to have been made last evening in Hamilton by the Minister of National Revenue (Mr. Gibson), with regard to a federal election, can be taken as a government statement?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I noticed the statement made by the Minister of National Revenue, but I did not read it with any degree of care. The statement with respect to the time of a general election will be made by myself. I have already indicated in the house my view on it, and I think the views expressed by my colleagues have been in accordance with what I have said.

LABOUR CONDITIONS

POSSIBLE CLOSING OF EDMONTON COAL MINES

On the orders of the day:

Mr. C. E. JOHNSTON (Bow River): I have received several air mail letters and telegrams concerning a situation which is reported also in the Ottawa *Citizen* of March 16, in these words:

> Edmonton coal mines will dismiss 250 employees March 23 and the pits will close March 31 unless the federal government subsidy of 50 cents a ton is continued, mine officials said here to-day.

I should like to ask the Minister of Labour if he is doing anything to see that these two hundred and fifty men are kept on the job, or that they will be placed in other occupations if these mines are allowed to close. This matter is causing a great deal of concern out west.

Hon. HUMPHREY MITCHELL (Minister of Labour): The matter of subsidies to coal mines does not come within the jurisdiction of my department, but I can assure my hon. friend that we are quite capable of meeting that situation through the instrumentality of selective service.

Mr. JOHNSTON (Bow River): Probably the question would be more properly directed to the acting Minister of Finance (Mr. Ralston), or the parliamentary assistant, as to whether that subsidy will be continued.

Mr. ABBOTT: I was not listening to my hon. friend's question very closely. Would he repeat it?

[Mr. Speaker.]

Mr. JOHNSTON (Bow River): Will the subsidy of 50 cents a ton be continued on coal, so that these mines in Alberta may continue operating?

Mr. ABBOTT: I shall have to get that information. I had no notice of the question, and I shall answer my hon. friend on Monday.

PROVISIONS FOR FARM HELP IN BRITISH COLUMBIA

On the orders of the day:

Mr. THOMAS REID (New Westminster): Mr. Speaker, I should like to ask a question of the Minister of Labour. Since farming operations have been in effect in British Columbia for some time, and strong representations have come from that province regarding farm labour help, may I ask the minister if any plans have been made or any steps taken looking to the supplying of farm labour, which has been represented as urgently required?

Hon. HUMPHREY MITCHELL (Minister of Labour): Last year we had a very satisfactory agreement with the government of British Columbia, as was indicated by the resolutions passed by some of the farm organizations in that province. Conversations have been going on since last December between the British Columbia Department of Agriculture and the federal Department of Labour with regard to the plans and policies for the forthcoming season.

I might say that one of the methods we adopted was the movement of people from Alberta, particularly during the berry season, into the Fraser valley—I think that is what it is called—in British Columbia. And we expect—

Mr. CRUICKSHANK: To where?

Mr. MITCHELL: They may not grow fruit there; my geography may be at fault. Possibly it is the Okanagan valley, represented by the hon. member for Yale (Mr. Stirling). But I can say to my hon. friend that at this very moment officials of my department are leaving for western Canada to make the necessary plans and to negotiate the necessary agreements which we feel will make possible a measuring up of the situation just as successfully as was done last year.

I must say this, however, that as the war progresses it is inevitable that the labour situation in this country will be tight. I think hon. members will agree with me that if we do as well in every province in the present year as we did last year, we shall be successful indeed.

WHEAT

DELIVERIES STILL TO BE MADE FROM 1943-44 CROP

On the orders of the day:

Mr. G. H. CASTLEDEN (Yorkton): Mr. Speaker, I should like to ask a question of the Minister of Trade and Commerce. Large quantities of grain in western Canada are lying in open bins or out in the fields, and it is in danger of being spoiled. Will the minister inform the house what steps, if any, are being made to permit delivery of such grain, so that we may save this food and avoid severe loss to the farmer?

Hon. J. A. MacKINNON (Minister of Trade and Commerce): Mr. Speaker, the hon. member gave notice of his question this morning. The matter is one of considerable importance to producers in western Canada at the present time, and I am glad to give the house this information.

According to information recently secured by a survey throughout the west, there were 276 million bushels of wheat, 143 million bushels of oats and 87 million bushels of barley, a total of 506 million bushels, to be delivered from farms within the crop year 1943-44. In addition there are 75 million bushels of wheat over and above the quota of 18 bushels per authorized acre. Up to March 10 the grain already received into elevators has amounted to 179 million bushels of wheat, 77 millions of oats and 59 millions of barley or 62·3 per cent of the total shown by the survey just mentioned. These deliveries leave 97 million bushels of wheat, 66 millions of oats and 28 millions of barley still to come forward. It is the view of the Canadian wheat board that transportation will be available so that the remaining amounts of oats and barley, together with about 100 million bushels of wheat, will be taken into country elevators before the end of this crop year.

The board provided last December that damp wheat may be delivered up to 18 bushels per authorized acre and that damp oats, barley and rye up to 20 bushels per acre may be delivered over the existing quota of 10 or 15 bushels per acre. Arrangements are now being made to apply the same delivery privilege to tough grain that has previously been applied to damp grain. There is also an exchange privilege in effect whereby producers may deliver tough and/or damp grain at an elevator for dry grain, paying the difference in value. The board has constantly kept in mind the necessity of saving as much grain as possible and states that no significant losses will occur. The grain remaining to be marketed this year is much smaller than at the same date a year ago and in much better condition.

PAYMENTS ON PARTICIPATION CERTIFICATES, 1943 CROP

On the orders of the day:

Mr. E. E. PERLEY (Qu'Appelle): Some little while ago the minister made an announcement that payments would be made on participation certificates for the 1943 crop during the month of May. Can he state now whether any payments have been made, or will they be made before the end of the month?

Hon. J. A. MacKINNON (Minister of Trade and Commerce): I am informed that these payments will be started this month.

PENSIONS

ARREARS DUE TO OLD AGE PENSIONERS AND CERTAIN WAR VETERANS

On the orders of the day:

Hon. IAN A. MACKENZIE (Minister of Pensions and National Health): Mr. Speaker, the hon. member for St. Paul's (Mr. Ross) raised a question regarding certain delays in reviewing new allowances by the war veterans' allowance board. I have looked up the matter, and I find that new allowances are paid out with all possible expedition and dispatch, and the hon. member was so informed.

CANADIAN ARMY

AWARDS FOR GALLANTRY—ACTING RANKS

On the orders of the day:

Mr. G. A. CRUICKSHANK (Fraser Valley): Mr. Speaker, I should like to ask a question of the Minister of National Defence. I did not have a chance to give him notice of it, because I read the paper only as I was coming into the house. However as a gallant ex-soldier, and as the present minister, he will be able to answer me now. In view of the announcement made yesterday by the Department of National Defence on awards for valour, may I ask the minister whether the acting ranks will be confirmed, or, as in so many cases in the last war, will these ranks be held for reinforcing officers?

Hon. J. L. RALSTON (Minister of National Defence): I do not know the announcement to to which my hon. friend refers. If he will let me take what he has said as a notice of question, I shall answer on Monday.

Mr. CRUICKSHANK: May I amplify my question for the benefit of the minister? The awards for valour—

Mr. SPEAKER: Order.

ALUMINUM

REFERENCE TO ANSWER TO QUESTION ON MARCH 16

On the orders of the day:

Mr. S. H. KNOWLES (Winnipeg North Centre): Mr. Speaker, may I direct the attention of the Minister of Munitions and Supply to what I believe to be a series of errors in an answer to a question of mine as found at pages 1508 and 1509 of *Hansard* for yesterday. Those answers had to do with the price of aluminum. They read, in part:

To the United Kingdom: Base price, ·16 cents per pound; Escalator price, first quarter, 1943, ·055 cents per pound.

I am sure the minister will agree that what was intended was 16 cents per pound and—

Mr. HOWE: Make it read dollars instead of cents, and it will be all right.

Mr. KNOWLES: I checked the matter, and I find the error is to be attributed neither to *Hansard* nor to the King's Printer, because what is printed in *Hansard* corresponds with the typewritten copy given to me yesterday. Then, when the minister is checking that answer I wonder if he would compare it with the material he placed on *Hansard* on March 10, at page 1346, where he tabled the correspondence with the Aluminum Company of Canada, Limited, with regard to the reduction in the price of aluminum. In the correspondence it was indicated that information was in the possession of the Department of Munitions and Supply regarding prices to the United States and Australia. In the answer given yesterday the statement is made that no such information is in the possession of the department. Will the minister reconsider the answer to the question?

Hon. C. D. HOWE (Minister of Munitions and Supply): Obviously my hon. friend has all the information there is on the subject. There was evidently a mistake of a decimal point in preparing the answer. My hon. friend knows that this should be sixteen cents, not one-sixteenth of a cent per pound. As far as the price of the metal to the United States and Australia is concerned, we know the base price but invoices are sent direct from the company to the purchaser and we do not know the operation of the escalator clause which is determined by the offices that purchase the aluminum.

ST. PATRICK'S DAY

On the orders of the day:

Mr. DANIEL McIVOR (Fort William): Mr. Speaker, I am sure it is with mingled feelings of regret that we who are away from the land of our birth join with other Irishmen in celebrating the passing of that great missionary, Saint Patrick. When I think of how the former leader of the opposition, the late Doctor Manion, cabled de Valera to open up bases to assist the allies in their struggle for peace and fair play; when I think of how our own Prime Minister refused to enter into negotiations with de Valera and politely told him, according to the interpretation I put upon it, that he should tell the Germans and the Japanese to go home out of there; when I think of the golden opportunity Eire had—

Some hon. MEMBERS: Order.

Mr. McIVOR:—to tell the world that they supported the cause of freedom and fair play.

WAR APPROPRIATION BILL

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

The house resumed from Thursday, March 16, consideration in committee of a resolution to grant to His Majesty certain sums of money for the carrying out of measures consequent upon the existence of a state of war—Mr. Ilsley—Mr. Bradette in the chair.

DEPARTMENT OF MUNITIONS AND SUPPLY

Hon. C. D. HOWE (Minister of Munitions and Supply): Mr. Chairman, in presenting the war estimates of the air services branch, it is appropriate that I give hon. members a statement of the views of the government on civil aviation, both domestic and international. At this time the subject is one of unusual interest to the house and to the country. It is well known that the necessities of war, during the past four years, have brought about more in the advancement of the science of aviation than would have been accomplished in a generation of normal progress. The exploits of our airmen overseas and our vast air training plan have contributed much toward making our people air minded. Our accomplishments in the building of military aircraft also have contributed to that end. The need for maintaining rapid communication with our troops overseas has forced us to undertake a transport service across the oceans and to improvise equipment for that purpose. The urgency of war production has caused many business men who were formerly unfamiliar with air travel, to become new customers of our commercial air lines.

During this period of great activity of air travel, we have been devoting our manufacturing capacity to building war planes, as have all other allied countries. We have been wholly unable to provide new equipment for our air lines, such as would satisfy the increasing de-

mands for travel accommodation. Trans-Canada Air Lines had been operating for some two years prior to the outbreak of war, and had only sufficient equipment to meet the then very limited demands of the travelling public. To-day, Trans-Canada Air Lines has but little more equipment than when the war began, and is unable to purchase suitable new equipment. When Canada was called upon to provide a mail and an official passenger service across the Atlantic ocean, it could obtain planes for that purpose only by taking Lancaster bombers from our own production line, and converting the bombers for transport use. The result is that the demand for air travel, both inside Canada and across the oceans, greatly exceeds the supply.

To lay a foundation for the present discussion, it may be well to trace, very briefly, the history of civil aviation in Canada.

In the early 1920's, pilots who had received their training in the last war obtained planes, and commenced services into areas of the north country that were then difficult of access, except by air. These services were supported, for the most part, by the mining and petroleum industries. Through the years, these services were extended into air lines, each serving a series of isolated communities. A substantial part of their revenue was derived from the carriage of mail, and in this period our Post Office Department took an active part in supporting and encouraging so-called "bush operations".

In 1927 a movement was sponsored by the government to encourage the more rapid development of transport by air. Flying schools were organized, across Canada, for the training of pilots, and municipalities were encouraged, and assisted, in the development of local aerodromes. Direct government support was given to flying clubs, and the Post Office Department continued to provide mail revenue for those who were pioneering air transport routes.

In 1930 a change of government occurred, and the attitude of the government toward civil aviation was altered. In the early 1930's many air mail contracts were cancelled. Appropriations for government assistance to civil flying were cut, and civil aviation received a severe setback. However, in 1933, for the purpose of relieving an acute unemployment situation, the government commenced a project of building a series of airports across Canada, by day labour, to form a transcontinental route for military planes. For reasons that I could never understand, the aerodromes were located at thirty-mile intervals and, although civil aviation in the United States was then highly developed, the plans called for airfields suitable only for small, single-engine planes.

In 1935 the present government came into office, and was confronted with a situation that demanded a clear definition of policy toward civil aviation. Work was in progress on the government's chain of airfields. Municipal airfields, that had been built in the late twenties were not being used. Two alternatives were open; the government could undertake a programme for developing a comprehensive system of transport by air, to serve all parts of Canada, or it could confine government activities in this field to regulation, and let private enterprise plan its own expansion. The former alternative was chosen.

Plans were under way to merge the Department of Railways and Canals with the Department of Marine, to form the Department of Transport, and, with the consent of the then minister of national defence, those plans were enlarged to provide for moving the control of civil aviation from the Department of National Defence into the newly formed Department of Transport. Accordingly, a bill creating the Department of Transport was approved by parliament at the session of 1936.

On being appointed Minister of Transport, I lost no time in laying plans for an expansion of civil aviation in Canada. To acquire a background for doing so, I visited the United States, and travelled over its airlines for the purpose of making a study of air transport, and the facilities required in that connection. To provide a grouping of services directly related to transport by air, the air services branch of the Department of Transport was created, to include the newly acquired civil aviation division, and the meteorological division and the radio division of the former department of marine. The new branch was placed under the direction of a capable officer of the department, who was instructed to expand all three services to meet the requirements of a coast to coast interurban air transport service, following the latest American practice.

The Trans-Canada Air Lines Act was presented to parliament in the session of 1937. The intention of the government had been to unite the strongest transportation interests in Canada to undertake this new venture in transportation, and with that in view I approached the Canadian National Railways, the Canadian Pacific Railway company, and Canadian Airways, Ltd., the latter being by far the strongest of the air transport companies then operating. These companies were invited to provide the needed capital for, and assume the ownership of, the airline company, the government to assume responsibility for building adequate airports and the necessary communication system. Each of the three

component companies was to share equally in the ownership of the air line, and each was to have two directors on a board of nine, the government to appoint three directors on account of its investment in airports and communications. The financial provisions were the same as those finally adopted and now in force, which made the company a non-profit organization that was also protected against loss of its capital.

The Canadian Pacific Railway Company and Canadian Airways objected to having three government directors on the board, and at the last moment these two companies withdrew their support, with the result that the Trans-Canada Air Lines Act provided for full ownership of the enterprise by Canadian National Railways. It is worth while stressing the fact, at this time, that the Canadian Pacific Railway Company and Canadian Airways were each offered one-third participation in the Trans-Canada Air Lines enterprise, and that both refused to participate in a company with the identical financial arrangements that now apply to Trans-Canada Air Lines.

The newly-formed Trans-Canada Air Lines lost no time in organizing for operation. The president of Canadian National Railways was made president of the company; three other directors of the railway were appointed directors of the new company; and three directors were appointed from the government service, two from the Department of Transport, and one from the Post Office Department. The directors chose a general manager in the person of Phillip G. Johnson, now president of Boeing Aircraft Company, and one of the leading business men in the United States. Mr. Johnson had been a pioneer in transport by air in the United States, and was perhaps the man best qualified by ability and experience to plan the new system.. He came to Canada, at what was for him a very nominal salary, and spent two years here as operating vice-president. His ambition was to make Trans-Canada Air Lines the finest air transportation system in North America, and although he returned to the United States in 1940, his influence on the management is still very noticeable.

The work of building a chain of modern airports and of gathering and training an operating personnel was pressed forward vigorously, with the result that Trans-Canada Air Lines was placed in operation early in 1938. Traffic built up very rapidly, and Trans-Canada grew until at the outbreak of war its services extended eastward from Vancouver to Moncton, southward from Toronto to New York and from Vancouver to Seattle, and northward from Lethbridge to Edmonton. In the early war years, military requirements made it necessary to extend the service eastward to Halifax, and from Moncton to Sydney and on to Newfoundland, and westward to Victoria. Increasing traffic has made the line an outstanding financial success. Its safety record is the best of any air line operating anywhere. Had it been possible during the war years to provide equipment to meet travel demands, the financial position of the company would have been still further improved. At the moment, if we could double our equipment, indications are that we would have every seat occupied.

While the development of Trans-Canada Air Lines was in progress, an effort was made to improve the position of the bush lines, which had been left in a greatly weakened position by government action in the period from 1930 to 1935. While these lines were supported by renewed postal subsidies, they operated under conditions of unrestricted competition, with the result that, as soon as an operation was profitable, a second, and perhaps a third, operation would be undertaken by other owners over the same route. In an effort to protect the lines against cut-throat competition, an amendment to the Railway Act was introduced in the Senate in 1937, when it failed to pass, and in the House of Commons in 1938, when it duly became law. The effect of this legislation was to allocate routes to companies then in the field, and to prevent competition on these routes from newly-formed companies. At this time, sixteen separate transportation companies were licensed for commercial operation in Canada, using 244 commercial aircraft, of which a large number were flown and operated by their owners.

The first year of the war saw a sharp curtailment in gold mining operations, particularly those in remote areas, with the result that traffic for these independent airlines was sharply curtailed. I think I can say that the operation of these air lines, many of which were financed by public subscription, had never been profitable. With the curtailment of traffic before mentioned, these small operators were faced with the necessity of either finding a buyer, or of closing down. At this stage, the Canadian Pacific Railway company entered the field of transportation by air, and bought the stock of all the independent operators, thus obtaining by the end of 1941 a monopoly in the field of transportation by air except for Trans-Canada Air Lines. Since then, one new company has entered the field in the maritime provinces, namely, Maritime Central Airways, this being the only operation not owned either by Trans-Canada or by Canadian Pacific Air Lines.

The building of the Alaska highway was the cause of great activity in air transport in a territory that was being served by Canadian Pacific Air Lines, and that company was assisted by the United States Army in obtaining new and modern airplanes, from United States sources, with the result that the equipment of the company was augmented considerably at a time when all other air lines on this continent found it impossible to buy new equipment. Canadian Pacific Air Lines has continued to give service to the points formerly served by its component companies.

The preceding statement brings us up to date on the position of transport by air within Canada.

It had been contemplated that Trans-Canada Air Lines would be a non-competitive, non-profit system of transportation by air, planned to avoid the duplication of services that were the outgrowth of competitive building for profit in the field of surface transportation. The Trans-Canada Air Lines Act contemplated that Trans-Canada Air Lines would operate all the principal routes parallel to the international boundary, as well as Canada's interest in all international routes, and these on a non-competitive basis. The field of routes into Canada's northland, as well as the field of air service in the settled areas complementary to the Trans-Canada operation, was left to private enterprise. The reason for this is not hard to explain. Trans-Canada was to be a high standard operation, competitive with paralleling transcontinental air transport services in the United States. Canada, having one-twelfth the population of the United States, could support one service of this type, as against three similar parallel services in the United States, but, obviously, to have a second coast to coast service in Canada would be wasteful and unjustifiable. Service to the public must be the paramount consideration, and it seemed obvious that the cost of a non-competitive, non-profit service was the lowest that could be offered the public. An impartial analysis of the situation to-day leads to no other conclusion. However, the newly formed Canadian Pacific Air Lines lost no time in challenging the non-competitive position of Trans-Canada Air Lines, and in reaching out for new franchises; this at a time when it alone seemed to be able to buy new and modern equipment.

To clarify the situation, the Prime Minister made a statement with respect to policy as to domestic and international aviation in this House of Commons, which is reported in *Hansard* of April 2, 1943. The statement sets out with great clarity the views of this government, with respect to future development of both domestic and international aviation. The policy then enunciated continues to be the policy of this government.

This statement of policy, I regret to say, failed to bring about confirmation to government policy in the development of privately owned air services within Canada, nor did it end intervention of private interests in the international field. It is becoming obvious that ownership of airways by our two competing railway systems implies extension of railway competition into transport by air, regardless of the government's desire to avoid competition between air services. In the old days, competitive railway building developed pressure methods for obtaining new franchises. Such methods must not have a place in the development of our airways.

The government desires the rapid development of air transport services in order, among other reasons, to offer post-war employment to Royal Canadian Air Force personnel. Canada's northland was pioneered by small operators, who were content to enlarge their operations only as warranted by the development of the area they served. The government believes that feeder line operations, and pioneer lines into our northland, can best be developed as small operations. Our returning airmen will not be satisfied, in entering this new field of employment, to serve only as salaried employees. In this new medium of transportation, there must be a place reserved for small business enterprise.

Accordingly, after full consideration, the government has decided that the railways shall not exercise any monopoly of air services. Steps will be taken to require our railways to divest themselves of ownership of air lines, to the end that, within a period of one year from the ending of the European war, transport by air will be entirely separate from surface transportation. In the meantime, no new air routes other than government operated routes will be allocated to airlines owned by any railway or other operator of surface transportation. The term "surface transportation" includes railways, shipping companies, and highway transport companies.

The United States Civil Aeronautics Act of 1938 provides that no common carrier (that is, surface carrier) shall own, manage, or operate any air carrier, unless specific provision has been given by the civil aeronautics board. Apparently, the principle is well established in the United States that surface carriers are not permitted to engage in air transport business. I mention this to indicate that the problem which has arisen in Canada is not new on this continent.

In speaking in the House of Commons in the debate on the Trans-Canada Air Lines bill, reported on pages 2216 and 2217 of *Hansard* of 1937, I gave the following reason for making Trans-Canada Air Lines a subsidiary of Canadian National Railways:

"After the consideration of these matters, the government has decided that its agency for transportation, the Canadian National Railways, should be the means of organizing this company, just as it was used as the means for operating such shipping as the government owned and the means of operating other government transportation facilities. . . .

I think we are getting the best features of government ownership without the obligation of direct government operation which in the past has been troublesome."

While I have had no cause to regret the step taken at that time, the entry of a privately owned railway into the field of air transport has made it apparent that the advantage of government ownership "without the obligation of direct government operation" does not compensate for the disadvantage of introducing into air transport the competitive methods of the railways. Therefore, it will be necessary to divorce Trans-Canada Air Lines from Canadian National Railways and operate the former as a government company. Canadian National Railways have given splendid administration to Trans-Canada Air Lines, and personally I regret the necessity for the separation.

At the moment any expansion of Canada's civil aviation, except to meet urgent war requirements, is unwarranted, if for no other reason than that all available equipment is now required to operate existing services, and new equipment is impossible to obtain without diversion of effort from the war. A paramount reason for halting expansion at this time is that the young men, who should have a prominent part in any such expansion, are overseas on combat duty. We can all picture the resentment of these men if, on their return to Canada, they found that all profitable air routes had been preempted in their absence.

However, even though immediate expansion is not possible, it is not too early to plan for an orderly and rapid expansion of our domestic aviation when the proper time comes. To this end, the air services branch has been studying traffic possibilities in all areas of Canada, for the purpose of planning new air routes that will justify airline operation. Alternative plans are now being studied to determine a method of allocating these valuable franchises, in the best interests of Canada, and of our returning airmen. I am confident that the proper moment for undertaking expansion of our air services will find us not unprepared.

[Mr. Howe.]

Prior to the war, Canada had a small, but active, airplane construction industry. The need for providing training planes for our air training plan, and later, the need for building combat planes, has expanded this industry enormously. The industry is now devoting some attention to post-war transport airplanes. One airplane, of pre-war Canadian design, the Noorduyn Norseman, is still the outstanding single-engine transport plane of the present period, and is now being manufactured in large quantities for war transport purposes. Several units of the industry are at work on designs for transport planes of larger size. We have come to the conclusion that the task of designing a four-engined plane, suitable for both post-war domestic traffic on transcontinental routes, and for international traffic, is beyond the present capacity of our industry, having in mind probable limitations of time. Therefore, we have acquired the rights to build a plane that is considered by our experts to be the probable best plane of the next five years at least. While the building of this airplane will be undertaken immediately, the plane will not be released to our airlines until new planes of similar type are released to domestic airlines in the United States. Therefore, I think I can say that needed steps have been taken to protect Canadian air transport against its post-war airplane requirements, and this by planes to be built in Canada. A vigorous airplane construction industry is an essential complement to Canada's post-war aviation plans.

The present machinery for allocating new air routes, and for regulating rates and schedules on these routes, is being studied in the light of the experience of the past several years. The government believes that the present machinery can be improved as an instrument for dealing with the developments of the post-war period. It is proposed to establish a new board, to be called the air transport board, which will confine all its activities to air traffic, and which, in addition to performing the regulatory duties now lodged with the board of transport commissioners, will be charged with the responsibility for advising the government on ways and means of bringing about a rapid and well-planned expansion of transport by air. The proposed board will examine the needs for new commercial services, and make recommendations for their establishment and expansion, in both the domestic and international fields; receive applications for new services and issue commercial licences; establish tariffs and regulate rates; examine the ownership, financial structure, operations, and financial position of car-

riers; make recommendations for needed financial assistance; advise the government on matters affecting the operation of existing aerodromes; report on the need for new aerodromes; and perform such other allied duties as may be determined.

It is felt that the creation of a board, to be concerned solely with transport by air will ensure prompt attention to all matters, affecting air transport, that may call for consideration by the government, and be of great assistance to government, and to private enterprise, in the post-war period.

The end of the war will find Canada with some 200 airfields, built to modern standards, and of dimensions ample for serving domestic and international traffic. These aerodromes are, for the most part, adjacent to our centres of population, and many of them are now interconnected by communication services of the type necessary for day and night operation of airplanes. New airfields will be required from time to time, but lack of suitable airfields will not interfere unduly with the establishment of new air services. A chain of modern airfields extends from coast to coast, serving practically all our larger centres of population. Another chain of airports extends northward to Alaska, while still another extends eastward to Labrador and Newfoundland. We are in a happy position in the matter of airfields for our post-war civil aviation.

I now pass on to a discussion of international aviation.

In the field of international aviation, the geographical position of Canada is one that demands that Canada be given an important place among the nations of the world. The short international routes between the centres of population of the northern hemisphere, almost without exception, pass over Canadian territory. My colleague the Minister of National Defence for Air (Mr. Power) has given hon. members a graphic statement of the part that Canadian airmen are taking in the war against the axis, in many combat areas. The young men so engaged will be internationally minded. In the post-war period, an aggressive air policy can provide an occupation for many of those pilots, navigators, radio electricians and airplane mechanics who are now carrying the war into enemy countries.

Surely this is a field that can offer opportunity, adventure, and a new challenge to the energies and minds of our fighting airmen.

Hon. members may wish to know exactly what Canada's position is with regard to international air transport agreements binding upon Canada. For this reason I will include a brief resume of the present position in this respect.

Canada was a signatory in 1919 of the multilateral convention on the regulation of aerial navigation which came into force in 33 states, and of various protocols amending or supplementing this convention from 1920 to 1929. These agreements dealt largely with air regulations, and there appears now to be general agreement that this whole field must be brought under the control of a new and expanded international authority.

The first major agreement regarding the actual operation of international air services, however, in which Canada participated, was the agreement between the United Kingdom, Canada, Ireland and Newfoundland, in 1935 and 1936, providing for the initiation of trans-Atlantic air services. Under this arrangement, the British company, Imperial Airways, now known as British Overseas Airways, was to carry out experimental flights on the north Atlantic route, to Canada by way of Ireland and Newfoundland. Subsequently a joint operating company, owned by the United Kingdom, Canada and Ireland, was to be established to carry on a regular air service. Imperial Airways was to be the majority shareholder in this joint company, and was to control commercial, technical and operating matters.

While the United States was not a party to the arrangement, the four governments concerned agreed that in return for landing and transit rights in the United States for Imperial Airways, or for the joint company, each government would grant transit and landing rights to Pan-American Airways for a north Atlantic service. Each government also agreed that it would not, without the consent of the others, grant similar rights on this route to any other companies over a period of 15 years.

The facilities required under this agreement, which includes airports, radio and meteorological services, and other aids to navigation, have been provided by the countries concerned. Canada, by special wartime arrangement with Newfoundland, has taken over Newfoundland's responsibilities in this connection. The service envisaged by Pan-American at that time is in operation, and permits have been granted to Pan-American Airways by the governments concerned.

On the other hand, while certain experimental flights were undertaken, after some delay, by Imperial Airways, no regular British services were established on the north Atlantic prior to the war and the joint operating company was never set up. Meanwhile, various other transatlantic services have been, and are being, established outside the agreement, to meet wartime exigencies. American Export Airlines is operating a regular commercial air transport service, under temporary wartime

permits from the governments concerned. The air transport commands of the United Kingdom, and the United States, are operating frequent non-commercial services. Trans-Canada Air Lines, after extending its transcontinental commercial service to Newfoundland in 1942 by agreement with the Newfoundland government, later proceeded to initiate a regular non-commercial service across the north Atlantic, in accordance with notes exchanged between the Canadian and British governments on July 15 and 16, 1943, and the Canadian and Newfoundland governments on July 19 and 30, 1943. This service has been established solely for war purposes, and the arrangements for it apply for the duration of the war and six months thereafter. It carries only official passengers and freight,—particularly mail for the troops—and is, of course, providing valuable experience for Canada in the operation of trans-oceanic air services. The R.C.A.F. has also established a direct mail service from Canada to the United Kingdom and to the Mediterranean theatre of operation.

In view of the fact that the joint-operating company envisaged in the 1935-36 agreement was never set up and in view of the material changes in circumstances which have already taken place since the agreement was drawn up, the Canadian government is of the opinion that the agreement can no longer be considered applicable to present conditions. The other parties to the agreement have been notified of our views.

Subsequently in 1938 and 1939, as the air links between Canada and the United States began to assume increasing importance, certain technical agreements were concluded between the two countries dealing with air navigation, certificates of competency, certificates of airworthiness and the use of radio. These agreements established certain standardized practices to facilitate the movement of cross-border air traffic.

More important, however, was the agreement between Canada and the United States on air transport services effected by exchange of notes on August 18, 1939. Under this agreement, each party agreed that air carriers of the other would be permitted to operate non-stop over the territory of the other between two domestic points. (Non-stop services between United States and Alaska were to be dealt with in a separate understanding.) It is under this clause, for example, that Canada posseses rights to fly from Quebec to New Brunswick over the territory of Maine, and that United States air lines fly from Buffalo to Detroit over Canadian territory.

In addition, each party agreed to grant operating rights to the air carrier enterprises of the other for services between Canada and the United States as decided between the aeronautical authorities of the two countries, the purpose being to maintain a fair balance between operations of each country. Transportation of mail was to be subject to direct agreement between the postal officials of both countries. This exchange of notes was to remain in force for two years, and thereafter until terminated on six months' notice given by either government.

The implementation of arrangements provided for in this exchange of notes was covered in a further exchange of notes on November 22 and December 2, 1940, between the two countries. Under this second exchange, cross-border routes between Canada and the United States were divided between the two countries.

This agreement, which did not cover services between Canada and Alaska, was to remain in effect until December 31, 1942. Subsequently, since neither government felt that war time was the proper time for reconsideration or alteration of the agreement, it was renewed by an exchange of notes on March 4, 1943, for the duration of the war subject to cancellation by either party on six months' notice after a period of sixty days consultation.

The arrangements of 1940 which are still in force provide the over-all framework for the operation of air services between Canada and the United States. Under this arrangement, the through service from Toronto to New York is operated by Trans-Canada Air Lines; while the following United States companies operate into Canada: Northeast Airlines from Moncton to Bangor; Colonial Airlines from New York to Montreal; American Airlines from Buffalo to Toronto, and from Buffalo to Windsor en route to Detroit; Northwest Airlines from Fargo to Winnipeg; Western Airlines from Great Falls to Lethbridge; United Airlines from Seattle to Vancouver; and Pan-American Airways from Fairbanks and Juneau, Alaska, to Whitehorse.

Some persons have suggested that Canada came out of this bargain badly. To this, I would answer that having in mind the availability of planes and air facilities, it was a fair arrangement to meet the circumstances at the time. We can look forward to the further development and expansion of trans-frontier services between the two countries and may expect to see both Canadian and United States lines participating in this expansion in accordance with whatever arrangements may be agreed upon by the two governments.

A number of war-time agreements have been concluded between Canada and other countries for the operation of special war-time transportation services. For example, Pan-

American Airways has been given a temporary permit to operate over Canadian territory between Seattle, and Juneau, Alaska. In granting this permission, on January 26, 1944, the Canadian government informed the United States government that it proposed at a future date to take up the question of permission for a Canadian service to operate into Alaska. These agreements are numerous and reasons of military security make it impossible for me to go into detail regarding them. They have been concluded in order to provide rapid transportation and communication by air for the more effective prosecution of the war. They are, generally speaking, valid for the duration of the war and six months thereafter and operations carried out under them will create no vested rights for the post-war period. As these agreements affect the United States, licences have been granted only to the United States army and navy for non-revenue operations.

The civil aeronautics board in the United States has recently announced that it is considering the opening of hearings on applications for new air services from the United States to Canada. So that there will be no misunderstanding, I wish to make it clear that the existing framework of air services between Canada and the United States is fixed in accordance with the exchanges of notes to which I have referred. While the civil aeronautics board may receive applications for new air services to Canada from various American airlines and may find it expedient to decide which of these it would be desirable and necessary in the United States' interest to grant, any new services on a commercial basis between the two countries cannot be initiated without the consent of the two governments and any development of such new services will involve a reconsideration of the existing arrangements between the two. Canada does not consider applications from airlines of another country unless forwarded by the government of that country through diplomatic channels.

Canada has carried out certain construction and development work in connection with aviation in Newfoundland and Labrador. Here the agreements involved have been of a military nature dealing with military problems related to the defence of this continent and assistance in the battle of the north Atlantic.

The briefest fashion in which I can describe the situation which will exist at the end of the war is that the position and sovereignty of the Canadian government have been protected completely in all arrangements that have been made; that special wartime arrangements will come to an end at or shortly after the conclusion of hostilities and developments during the war will create no vested interest in air transport or air facilities in Canada for any other government.

We believe that in the field of international air transport our interest lies in a liberal course of cooperation with other nations. This decision has been reached in view of the great importance of air transport in the future. Air transport is more than just the latest and fastest method of transporting passengers and goods. It is a revolutionary development which has already profoundly affected the civilization of the world. No one can predict with any degree of certainty or precision the nature and extent of the contribution which it may make to the future security and prosperity of the peoples of the world. It is our intention to make every effort to ensure that the framework within which the international air transport of the future functions, will be designed to promote international cooperation and not to foster international bitterness.

The demands of war have telescoped into four or five years the growth that might normally have taken air transport a generation to achieve. Canada's size is shrinking, while our long 3,000-mile frame is filling out, as air transport opens up the Canadian north. All Canadians are becoming neighbours and Canada is being given a new basis for unity. What is true of relations between the various parts of Canada is true also of relations between the nations of the world. These too are being brought closer together. Moreover, new regional connections are being developed and the boundaries of old regions washed away. Because of the geographical location of the land masses of the earth, that section of the globe stretching out from the north pole to a degree of latitude roughly equivalent to the Mediterranean and the southern border of the United States will probably be the most important for the air transport of the future. In this northern region, Canada occupies a strategic position, for it stands athwart most of the air routes linking North America with Europe and Asia. This position carries with it great responsibilities and great opportunities.

As I have already mentioned, on April 2nd last year the Prime Minister gave a statement of the government's position with regard to international air transport, making it clear that our policy would be one of international cooperation and collaboration and that we would support whatever policy seemed best calculated to serve not only the immediate national interests of Canada, but our overriding interest in the establishment of an international order which will prevent the outbreak of another world war.

Behind this statement lies a recognition of the duty of the Canadian government to do what it can to avoid the two chief weaknesses in the pre-war organization of international air transport. In the first place, it was a cause of serious rivalries and disputes between nations. In the second place, and closely connected to the first weakness, lines were run at an uneconomic cost, necessitating large national subsidies. Some countries refused to permit airlines to cross the air space above their territory, necessitating costly detours. Others refused landing rights, as well as transit rights. The necessity for hard and persistent bilateral bargaining resulted, especially in Europe, in the establishment of so many competing national services that air transport became highly uneconomic, and lines were heavily subsidized at the expense of national taxpayers.

Behind much of this friction lay considerations of national prestige, but more especially of national security. Civil air transport fleets, and civil aircraft industries, represent a war potential, a reserve both of personnel and of industrial capacity which is all-important in time of war. The truth of this has been obvious in the present conflict. The emphasis in the pre-war period upon security aspects of civil air transport was, therefore, natural, and goes far to explain the failure of nations at that time to agree upon a method of effective international control of international air services. Because of the rapid development of aviation since the outbreak of war the international rivalries which would develop in the future after the conclusion of hostilities would be even sharper than those of the past, unless some improvement is effected.

The decision which the united nations must make in the near future in the post-war organization of air transport thus is vital. An enlightened settlement will go a long way toward establishing a lasting peace, and a new world order of security. It can constitute a model for the settlement of other difficult international problems, and create an atmosphere in which the settlement of these other problems will become easier. Failure to devise a working system of cooperation and collaboration will not only lead to endless friction in the field of air transport, but will prejudice the establishment of an effective world security organization.

From the point of view of practical politics, the problem is to find some method of international control which will serve the desired objectives, and yet be generally acceptable to all. The task is not an easy one. For many months it has been the subject of exhaustive study by Canadian officials and of active consideration by the government. I think that a policy which is designed to meet these ends has been worked out, and that the Canadian representatives in future international discussions on air transport will enter those discussions well prepared, and with a clear view of the type of arrangement best designed to meet the needs of Canada for the development of international air services and provide for a fair share of international air transport, and at the same time establish an atmosphere of working cooperation among all other interested nations.

It is obvious that air regulations dealing with such matters as traffic rules, safety and navigational aids should be, as nearly as possible, uniform throughout the world, and that an international authority must be set up and given the power to prepare regulations which would be accepted as standards by the members of that authority. This alone, however, is not enough. I have already stated that the difficulties, in the pre-war period, arose because certain nations exercised their sovereignty over the air, above their countries, in a fashion designed to hinder the development of air transport, and foster ill will. Accordingly, I think that we must be prepared to subscribe to the granting of general freedom of transit for international air services, on a universal basis, so that national air services will automatically possess the right to cross the territory of other nations, en route to their destinations, and to land in other countries for refuelling and reservicing, without having to request the specific permission of each government concerned. However, in order to prevent misuse of this freedom, it would appear necessary to grant, to some international authority, power to supervise the manner in which it is carried out. Moreover, in thus establishing freedom of transit, countries such as Canada, which are strategically placed, will be making a very great contribution to an effective international system, particularly when, like Canada, their population is not great, and the amount of traffic which they have to offer for international carriage would consequently not be large. On the other hand, this right of transit would be of particular benefit to those nations, which have a great deal of potential traffic for international air services, but are less strategically located.

It would seem reasonable, therefore, to suggest that freedom of air transit should be extended to cover, as well, a certain amount of freedom of carriage of goods and passengers, in order to enable all nations to share in a proportion of the international traffic

available, without having to go in for all the bilateral bargaining which so confused the pre-war situation. It would seem necessary, accordingly, that each nation should at least possess the right to carry passengers and cargo from its own territory to other countries, and to bring back from those other countries passengers and cargo which are intended for its own territory. This would mean that the nations of the world, operating international air services, would not only be unhampered in the movement of their aircraft across the territories of other countries, but would also have a certain amount of traffic available to their own air services, without the necessity of bilateral bargaining, thus increasing the chances of reasonable economic operation. In order to prevent a helter-skelter of airways developing, each country would, of course, designate the routes across its territory which the airlines of other countries must follow, just as it does for its own domestic services.

While international air transport will be a great and important factor in the future, nevertheless one airplane can do a great deal of work, and, in the post-war period, all the air traffic available may be carried by a comparatively small number of aircraft. It would not seem desirable that each nation should be allowed to establish as many international services, in as many areas, as it wished, thus bringing about a useless, uneconomic and competitive situation which could only lead to trouble. Not only should some international air transport authority supervise the administration of the freedoms, and rights, suggested above, but the authority should also have power to regulate international air services, in order to prevent the dangers of unnecessary and uneconomic duplication. Some such method might be used as control of rates and schedules, and licensing. Because an authority, established on a universal basis, might have difficulty in giving due consideration to the special needs of particular regions, it would be desirable that it work through regional groupings or councils.

If any such framework for international cooperation in the field of air transport should be developed, and I think it desirable that it should, it would seem that cross-border services, such as those between Canada and the United States, should be considered in a special category, and dealt with specially by the two countries concerned, since services originating in the one country and terminating in the other are primarily trans-frontier extensions of domestic air services.

The Canadian government is of the opinion that some form of organization along the lines suggested above would go far toward meeting the needs of the world for the establishment of effective international co-operation, in the provision of efficient and economical air services, and, at the same time, provide for the fair and equitable participation of Canada in these air services.

One year ago the Prime Minister said, "The government sees no good reason for changing its policy that Trans-Canada air lines is the sole Canadian agency which may operate international air services." This is a matter of purely domestic concern, and this decision is, in the opinion of the government, the one best calculated to serve the interests and needs of the Canadian people. It has, however, no bearing upon any decision of this type that may be made by other governments. The choice of instruments for the operation of international air services by the countries concerned is, and must remain, a matter of purely domestic decision. Each country must decide for itself whether its airline companies operating international air services are to be privately owned, or state owned, whether there is to be one single national company or several.

I should like to say a word at this point regarding international discussions on air transport policy. As members of this house are aware, there was a preliminary exchange of views in London last October among the members of the commonwealth, in which a Canadian delegation under my chairmanship participated. A complete airing of ideas and opinions, with regard to international air transport after the war took place, and provided a useful introduction to the broader discussion which will take place in due course. Canada, of course, expects to participate in these further discussions also, and is at the moment taking part in discussions with the United Kingdom and the United States regarding the holding of further exploratory conversations. No final decisions were taken in London, but I may say that it was evident from the outset that all participants had the same general objectives in view—the objectives which I have described earlier in this statement—and that there was a broad basis of general agreement as to the way these objectives might best be attained. All the participants were desirous of improving the air services between their territories, and agreed that such development must take place within an international framework, and that closed discriminatory systems could only promote disharmony, and endanger the chances of reaching that broad agreement which is necessary.

Following the conversations in London, a statement was issued to the press, reading as follows:

"The conference with the dominions and India on civil air transport, which has been meeting in London since Monday last, concluded its sessions this morning. The conversations were informal and exploratory, and the conclusions reached are subject to confirmation by the governments represented at the conference. Unanimous agreement was reached as to the recommendations which should be made regarding the lines on which civil aviation should be developed after the war, and as to the contribution which the governments of the commonwealth and empire could make towards international cooperation in this field."

The chairman of the London meeting was Lord Beaverbrook, who is a member of the United Kingdom government charged by Mr. Churchill with responsibility for the coordination of post-war civil air transport policy. Speaking in the House of Lords a week after the conclusion of the London meetings, Lord Beaverbrook emphasized the unanimous agreement which the conference had reached on every issue presented to it. He said that those isues were "adequate for testing immediate opinion in relation to civil aviation." He added that it had been agreed that "the international air transport authority should be intimately associated with and responsible to any united nations security organization which might be established."

In summary, I may say that the Canadian government is determined that Canada, by its participation in the framing of the general settlement of air transport, will make as great a contribution as possible to the successful solution of this problem. Our representatives in the international discussions, therefore, will be authorized to support or initiate such proposals as, in the government's opinion, will be likely to result in the establishment of an international air transport authority, with effective powers, supported by all governments concerned, which will further international cooperation and goodwill, ensure that international air routes and services are divided fairly and equitably among all member nations, meet the needs of the peoples of the world for efficient and economical air transport, and contribute to the establishment and maintenance of a permanent system of general security.

Before taking my seat I wish to table a copy of a tentative and preliminary draft of an international air transport convention. I have referred to the work of the officials of the government and the government itself in the preparation of this as a basis for further study at international discussions. Since portions of this have been made public in another country and have been printed in the press, it has been thought wise to table the document here. As there will be a great deal of interest in this document I ask the unanimous consent of the committee to have it published in *Hansard*.

The CHAIRMAN: By unanimous consent of the committee.

DRAFT INTERNATIONAL AIR TRANSPORT CONVENTION

CONTENTS

	Page
Summary	1626
Preamble	1627
Articles:	
I The authority	1628
II Obligations of member states	1628
III The assembly	1628
IV The board	1629
V Regional councils	1629
VI Licences	1630
VII Airports and other ground facilities	1630
VIII Finance	1631
IX Relationship to the international security organization	1631
X Joint operating organizations and pooling	1631
XI Other agreements and arrangements	1631
XII Amendments, ratification, etc	1632
XIII Definitions	1632
XIV Provisional article	1632
Annex	1633

It is assumed that an overriding treaty of peace will determine the obligations and rights of the defeated powers under this convention.

Summary

1. The convention establishes an international air transport authority, gives it a constitution and endows it with powers. The authority has the normal structure of an international organization: an assembly representing all the member states and a small executive committee which is called a Board of Directors. In each region a regional council is set up to deal with matters of regional concern.

2. The authority is charged with the duty of planning and fostering the organization of international air services so as

(a) to make the most effective contribution to the establishment and maintenance of a permanent system of general security,

(b) to meet the needs of the peoples of the world for efficient and economical air transport, and

(c) to ensure that, so far as possible, international air routes and services are divided fairly and equitably between the various member states.

3. The convention is an agreement between states and is not concerned with such domestic questions as whether the international air services of the various member states should be government-owned or privately-owned or whether a state should have more than one government-owned or privately-owned airline company engaged in international air transport. These are matters of domestic policy which each individual member state decides for itself. They are, therefore, outside the scope of the international convention.

4. The number of votes which each member state can cast in the international air transport assembly varies from one to six depending on its importance in international air transport. The board of twelve members, which is elected by the assembly, must include at least one national of each of the eight member states of chief importance in international air transport.

5. A company wishing to operate an international air service makes application first to its own government. The goverrnment, if it approves of the application, forwards it to the appropriate regional council. The regional council holds formal hearings on the application before deciding whether the applicant should receive a licence and, if so, under what conditions.

6. The regional council has power to issue a licence entitling a company not only to

(a) freedom of air transit over the airways of all the member states of the region but also to

(b) the right to land at airports in the region for refuelling, repairs and in emergency,

(c) the right to carry passengers, mail and cargo from the home state to any other member state and

(d) the right to bring back passengers, mails and cargo to the home state from any other member state.

7. A state which considers that a decision by a regional council is unfair has the right to appeal to the board of directors and the board can set aside or modify the decision.

8. The application for a licence from an airline which wishes to operate a service passing over territory under the jurisdiction of two or more regional councils does not go to all the regional councils concerned but goes to the board.

9. The authority, acting through either the board or a regional council is given power to determine frequencies of service on each route, to allocate quotas between the various member states and to determine rates of carriage for passengers and cargo.

10. On questions affecting world security the international air transport authority is made subject to the international security organization which is to be set up by the united nations. That organization may, in the interests of world security, order the international air transport board to withdraw, suspend or modify a licence, take certain measures concerning technical services, operating facilities and bases or set up one or more operating organizations to operate the air services on certain routes or in certain regions.

11. Two or more member states may decide that the best way of operating all or some of the air services between them is not by rival companies each carrying a national flag but by a joint organization. The member states are not prevented from establishing such joint operating organizations. Indeed the board or a regional council may recommend to the member states concerned that they pool the air services on certain routes or in certain regions or constitute joint operating organizations to perform certain air services. A state has the right to participate in a joint operating organization either through its government or through an airline company or companies designated by its government. The companies may, at the sole discretion of the state concerned, be state-owned or partly state-owned or privately-owned.

12. Services between two contiguous states, such as Canada and the United States, are excepted from the provisions of the convention and are left to be dealt with by agreements between the two states concerned. Contiguous states may, however, by mutual consent, give the international air transport authority jurisdiction over the services between them.

13. In order that the air regulations throughout the world should be as uniform as possible, an agreed set of regulations will be drawn up by the international air transport assembly and brought into force by each member state. These regulations will cover such matters as air safety, rules of the air, competency of air crew, ground signals, meteorological procedure, navigational aids, communications, airworthiness, national registration and identification of aircraft, carriage of dangerous goods and salvage.

14. The aircraft licensed by the board or the regional councils will be assured wherever they go in the world of being able to use adequate airports and other ground facilities on payment of reasonable fees and charges. Member states may elect to bear all or a portion of the costs of constructing and maintaining the necessary facilities. If a member state does not so elect, the costs are advanced by the board and borne by the board or apportioned among states using the facilities. The board may require, in return for advancement of costs a reasonable share in the supervision of the construction work and in the control of the airports and other facilities. If a member state so requests the board may itself provide, man and maintain any or all the airports and other facilities which it requires on the territory of that state and may impose reasonable fees and charges for their use.

15. The expenses of the international air transport authority will be borne by the member states in proportion to the number of votes at their disposal in the assembly, provided that those expenses of a regional air transport council which are properly chargeable to the states participating in that council, will be borne by those states.

16. Some time will be required after the coming into force of the convention before the international air transport authority is in full working order. The assembly must meet, the board must be elected, the regional councils constituted, their rules of procedure agreed upon. Certain temporary arrangements are therefore contemplated to cover the inital period of existence of the authority. The convention does not terminate the rights of companies now engaged in international air transport. These companies are given two years to secure licenses from the authority. Furthermore, airline companies designated in a schedule to the convention are deemed to possess licences issued by the authority to operate routes designated in the schedule and these licences remain valid until modified or withdrawn by the board or the competent regional council.

Preamble

The governments signatory hereto agree to the establishment of an international air transport authority.

Article I
The Authority

Section 1

An authority is hereby established to be known as the international air transport authority and to consist of an assembly, a board of directors, regional air transport councils and such other units as may be created pursuant to the provisions of this convention.

Section 2

The authority shall plan and foster the organization of international air services so as

(a) to make the most effective contribution to the establishment and maintenance of a permanent system of general security,

(b) to meet the needs of the peoples of the world for efficient and economical air transport, and

(c) to ensure that, so far as possible, international air routes and services are divided fairly and equitably between the various member states.

Section 3

The authority shall have exclusive jurisdiction, pursuant to the provisions of this convention, over international air services between two contiguous member states, provided that any two contiguous member states may agree that services between them shall come under the exclusive jurisdiction of the authority. When such an agreement has been notified by both states to the board, and until such agreement has been terminated, the authority shall have exclusive jurisdiction, pursuant to the provisions of this convention, over the services between the two states.

Article II
Obligations of member states

Section 1

Each member state recognizes that every state has complete exclusive sovereignty over the air space above its territory.

Section 2

Each member state undertakes to give the following freedoms of the air to the international air services operating under the provisions of this convention to the extent allowed by the licence issued to the services:

(1) The right of innocent passage,

(2) The right to land for non-traffic purposes (e.g. refuelling, repair, emergency),

(3) The right to discharge passengers, mails and freight embarked in the territory of the state or states whose nationality the aircraft possesses, and

(4) The right to take on passengers, mails and freight destined for the territory of the state or states whose nationality the aircraft possesses.

Section 3

Each member state may

(a) designate the route to be followed within its territory by any international air service and the air ports which any international air service may use, and

(b) impose or permit to be imposed on any international air service just and reasonable charges for the use of the air ports and other facilities on its territory, which shall not be higher than would be paid by national aircraft engaged in comparable international services,

provided that, upon complaint by an interested air carrier through the government or governments of which it is a national, the designation of routes and use of air ports, and the charges imposed for the use of air ports and other facilities shall be subject to review by the licensing authority.

Section 4

Each member state undertakes to make available such radio frequencies and to provide such meteorological services as may from time to time be required by the licensing authority for the safety, efficiency and regularity of the air services licensed by it.

Section 5

Each member state undertakes to perform the obligations imposed on it by this convention and to enact legislation necessary to carry out its terms including

(a) legislation to ensure that no air carrier may operate international air services unless that carrier is in possession of a valid licence authorizing such services, issued under the provisions of article VI of this convention, and

(b) legislation to bring its national laws into conformity with the regulations approved by the assembly under the provisions of subsection 5 of section 2 of article III of this convention. This action shall be taken within the period of one year from the date of approval by the assembly or, if it is impossible owing to exceptional circumstances to do so within the period of one year, then at the earliest practicable moment and in no case later than eighteen months from the date of approval by the assembly.

Section 6

Each member state undertakes to permit the operation within its territory of operating organizations constituted under the provisions of section 3 of article IX of this convention, provided that permission to an operating organization to engage in domestic air transport within its territory shall be in the discretion of the state.

Article III
The assembly

Section 1

The international air transport assembly shall be composed of representatives of the member states. Each state shall be entitled to the number of votes [one to six] in the assembly provided in the annex to this convention and may appoint as many representatives to the assembly as it has votes and may replace them from time to time. Each state may cast all of the votes allotted to it regardless of the number of its representatives present at any meeting. Decisions of the assembly shall be taken by a majority of the votes cast except where otherwise provided in this convention. There shall be deemed to be a quorum if the representatives present can cast one-half of the possible votes.

Section 2

The duties of the assembly shall be:

(1) To elect the international air transport board.

(2) To elect the president of the board. The president shall hold office for a period of six years.

(3) To meet from time to time as occasion may require and at least once a year.

(4) To examine and approve the annual report of the board, and to decide any matter referred to it by the board.

(5) To draw up and maintain regulations governing such matters as air safety, rules of the air, competency of aircrew, ground signals, meteorological procedure, navigational aids, communications, airworthiness, national registration and identification of aircraft, carriage of dangerous goods, salvage.

(6) To make regulations governing the preparation of budgets and financial statements by the board and to approve the annual budget and the financial arrangements made by the board.

Section 3

The assembly shall have power:

(1) To determine its rules of procedure.

(2) To fix the salaries of the president and the other members of the board.

(3) To refer to subsidiary commissions, the board or any other appropriate agency any matter within the sphere of its jurisdiction.

(4) To deal with any matter within the sphere of action of the international air transport authority not specifically assigned to the board or the regional councils.

Article IV

The Board

Section 1

The international air transport board shall be elected by the international air transport assembly. The board shall be a permanent body responsible to the assembly and composed of twelve members in addition to the president. They shall not be members of the assembly. They shall hold office for a period of six years. Two members of the board shall retire annually and in rotation but shall be eligible for reelection. The assembly shall have the right to dismiss any member of the board at any time. In the event of the dismissal or death of a member of the board, the assembly shall elect a successor who shall hold office for the unexpired portion of his predecessor's term of office. The board shall include at least one national of each of the eight member states of chief importance in international air transport.

Section 2

The duties of the board shall be:

(1) To constitute, subject to the approval of the assembly, the following regional air transport councils: (for example, European, North Atlantic, North Pacific, Inter-American). In constituting a regional council the board shall designate as participating states those member states which are principally concerned in the international airlines of the region. The board shall also define the boundaries of the region or designate the routes over which the regional council shall have jurisdiction. The board may from time to time revise the lists of participating states and alter the boundaries of the regions or change the designations of the routes.

(2) To decide, subject to the approval of the assembly, the method of appointment, the salaries and conditions of service of its employees, including those members of the regional councils who are appointed by the board.

(3) To establish the rules of procedure of subsidiary commissions and of regional councils.

(4) To administer, subject to the approval of the assembly, the finances of the international air transport authority.

(5) To grant licences over routes coming within the jurisdiction of two or more regional councils or of no regional council; and in these cases to exercise the duties of a regional council.

(6) To conduct research into all aspects of air transport which are of international concern, to make the results of its research known to all the member states and to facilitate the exchange of information on air transport matters between the member states.

Section 3

The board shall have power:

(1) To revoke or alter, after public notice or hearing, any decision of a regional air transport council including any decision to grant, withhold, alter, amend, modify, revoke or suspend a licence and any decision determining frequencies of service, allocation of quotas, or rates of carriage.

(2) To carry out the provisions of article VII of this convention (airports and other ground facilities).

(3) To establish, subject to the approval of the assembly, subsidiary commissions responsible to it.

(4) To institute such training facilities for its employees as it may consider necessary.

Section 4

Decisions of the board shall be taken by a majority of the votes cast. One-half the members of the board shall form a quorum. The president shall have a casting vote. The board shall determine its rules of procedure but the place of its permanent seat shall be decided by the assembly.

Article V

Regional Councils

Section 1

A regional air transport council shall be composed of not less than six nor more than nine members. One-third of the members shall be appointed by the international air transport board and hold office at the pleasure of the board; they shall possess special knowledge of problems of air transport and shall be nationals of states other than those which are designated by the board as being principally concerned in the international airlines of the region. The other members shall be appointed by the designated states. The number of members to be appointed by each of the designated states shall be, from time to time, determined by the board, having regard to the relative importance to each state of the international air transport services under the regional council's jurisdiction and to

the relative importance of each state in air transport. The members appointed by designated states shall hold office at the pleasure of the government appointing them.

Section 2

Decisions of a regional council shall be taken by a majority of the votes cast. One-half the members of a council shall form a quorum.

Section 3

Each regional council shall appoint a managing director who shall hold office for a period of four years.

Section 4

The duties of a regional council shall be:

(1) To grant licences to operate international air services within the region; to withhold licences; to attach to the exercise of the privileges granted by a licence such reasonable terms, conditions and limitations as the public interest may require and as are consistent with the terms of this convention; to alter, amend, modify or suspend any licence, in whole or in part, or revoke any licence, in whole or in part, for deliberate failure to comply with any provision of this convention or ot any order, rule or regulation issued under this convention or any term, condition or limitation of the licence.

(2) To determine rates of carriage for passengers and cargo, having regard, among other things, to standards of speed and of accommodation, and to consult with the postal administrations regarding rates of carriage for mail.

(3) To collect and publish information and cost statistics relating to the operation of international air services within the region.

Section 5

If the airline companies of more than one state are operating on a route a regional council shall have power to determine frequencies of service on the route and to allocate quotas*.

Article VI

Licences

Section 1

(1) Applications for licences can be submitted only by governments of member states. An application by a person or corporation shall be submitted through the intermediary of the government of the member state of which the person or corporation is a national.

(2) An application shall normally be made to the competent regional air transport council. If the application, however, is for a service which falls within the jurisdiction of two or more regional councils or of no regional council, the application shall be made to the international air transport board which may refer it to one or more regional councils for their opinion.

Section 2

(1) The board or a regional council shall not grant, renew, alter, amend, modify, suspend or revoke a licence except after reasonable notice to all member states in the region or regions concerned and after a formal hearing at which all these member states shall have the right to be heard except in case of emergency or under the provisions of article IX of this convention (relationship to the international security organization).

(2) The board or a regional council shall not grant a licence unless it is satisfied:

(a) that the person or corporation applying for the licence is able properly to provide the proposed air services, and to conform to the provisions of this convention and the rules, regulations and requirements of the international air transport authority and the competent regional councils, and

(b) that the proposed services and their performance by the applicant would serve public convenience and necessity.

Section 3

(1) The holder of a licence granted by the board or a regional council shall have the right to operate to, within, over and away from the territory of any member state to the extent allowed by the licence. The licence may allow the holder to make stops in the territory of any member state for refuelling, repairs, taking on or discharging of passengers, cargo and mail and for any other purpose and member states shall allow such stops, provided that no licence shall grant permission to a person or corporation possessing the nationality of one state to take on passengers, cargo or mail within the territory of any other state for discharge within contiguous territory of the latter or within the territory of a third state except with the consent of the member state or member states concerned.

(2) No licence shall be granted for a period of more than ... years but licences may be renewed on application. Any licence may be revoked, altered, amended, modified or suspended by the board or by the regional council which granted the licence.

Article VII

Airports and Other Ground Facilities

Section 1

If an air carrier licensed by the board or a regional council is of the opinion that the airports or other ground facilities on the territory of a member state are not reasonably adequate for the safe, regular, efficient and economical operation of the air services which it is permitted by its licence to perform, it may so inform the government or governments of which it is a national. Such government or governments may, if the complaint is considered to be valid, transmit it to the appropriate regional council, or if more than one regional council or no regional council is concerned, to the board. After reasonable notice to all member states concerned and after one or more hearings at which these member states shall have the right to be heard, the board or regional council may request the member state to expand its existing facilities or to construct new ones or to man and maintain its existing or new facilities in accordance with standards set by the board or regional council. The board shall, at the instance of an interested member state, review any request made by a regional

*The term "frequencies of service" means the number of trips on the route per day or per week. The term "quotas" means the number of trips which the airline companies of any one member state may operate on the route.

council and after public notice or hearing may suspend, withdraw, alter, amend or modify its terms. Each member state undertakes, at the earliest practicable moment, to give effect to the requests of the board or regional council.

Section 2

The expenses involved in carrying out any such request shall be apportioned as follows:

(a) The member state may elect to bear all or a portion of the costs,

(b) If the member state bears none of the costs or bear only a portion thereof, the costs (or the remaining portion of them, as the case may be) shall be advanced by the board to the member state and shall be borne by the board or be apportioned by the board, over a reasonable period of time, between the states (including the member state constructing the facilities) whose air carriers or services use the facilities.

In cases where the board advances costs it may require a reasonable share in the supervision of the construction work, in the control of the airports and other facilities, and in the revenues derived from charges levied.

Section 3

If a member state so requests the board may provide, man, maintain and control any or all of the airports and other ground facilities which it requires in the territory of that member state for the safe, regular, efficient and economical operation of the air services which it or a regional council has licensed and may impose just and reasonable charges for the use of the facilities. The member state shall either provide the land itself or facilitate the acquisition of the necessary land by the board on just and reasonable terms.

Section 4

A member state may at any time acquire and obtain complete control over facilities on its territory for which the board has advanced costs under section 2 of this article, or which the board has provided under section 3 of this article, by paying to the board an amount which in the opinion of the board is reasonable in the circumstances.

Article VIII

Finance

The expenses of the international air transport authority shall be borne by the member states in proportion to the number of votes at their disposal in the assembly, provided that those expenses of a regional air transport council which are, in the opinion of the board, properly chargeable to the states participating in that council shall be borne by those states in such proportions as the board may determine.

Article IX

Relationship to the International Security Organization

Section 1

The international air transport authority shall be subject, so far as questions involving world security are concerned, to the general organization which may be established among the nations of the world for the maintenance of peace and international security.

Section 2

The board, when informed by the international security organization that such action is required in the interest of world security, shall immediately and without formal hearing grant, withhold, alter, amend, modify, suspend or revoke any licence in whole or in part and take the measures concerning technical services, operating facilities and bases which the international security organization has directed should be taken.

Section 3

The board shall, when informed by the international security organization that such action is required in the interest of world security, constitute, supervise and control one or more operating organizations to operate air services on routes or in regions designated from time to time by the international security organization, provided that such operating organizations shall not engage in domestic air transport within any state without the permission of that state. The board may place operating organizations under the supervision and control of the appropriate regional air transport council.

Article X

Joint Operating Organizations and Pooling

Section 1

Nothing in this convention shall prevent two or more states from constituting joint air transport operating organizations but such organizations shall be subject to all the provisions of this convention including those relating to licences and to the registration of agreements with the board.

Section 2

Nothing in this convention shall prevent two or more states from pooling their air services on certain routes or in certain regions but such pooled services shall be subject to all the provisions of this convention including those relating to licences and to the registration of agreements with the board.

Section 3

The board, or a regional air transport council, may recommend to the member states concerned that they pool the air services on certain routes or in certain regions or that they constitute joint operating organizations to perform some or all the air services on certain routes or in certain regions.

Section 4

A state shall have the right to participate in joint operating organizations either through its government or through an air line company or companies designated by it. The companies may, at the sole discretion of the state concerned, be state-owned or partly state-owned or privately owned.

Article XI

Other agreements and arrangements

Section 1

This convention shall replace the international aerial navigation convention signed at Paris in 1919, the Ibero-American convention on aerial navigation signed at Madrid in 1926, the Pan-American convention on commercial aviation

signed at Habana in 1928, the convention for the unification of certain rules relating to international transportation by air signed at Warsaw in 1929, and the convention relating to sanitary measures to be applied in international air navigation signed at The Hague in 1933.

Section 2

The member states severally agree that this convention is accepted as abrogating all obligations or understandings inter se which are inconsistent with its terms, and undertake not to enter into any engagements inconsistent with its terms. In case any member state shall, before becoming a member of the international air transport authority, have undertaken any obligations toward a non-member state or a national of a member state or a non-member state inconsistent with the terms of this convention, it shall be the duty of such member state to take immediate steps to procure its release from such obligations.

Section 3

The right of any member state to enter into any convention or special agreement with any other member state or member states concerning international air transport is recognized, provided that the convention or agreement shall not impair any rights or obligations of any of the member states arising out of this convention. Every such convention or agreement shall be forthwith registered with the board and shall as soon as possible be published by it. No such convention or agreement shall be binding until so registered.

Section 4

All agreements or working arrangements between operating companies regarding international air services shall be forthwith registered with the board and shall not be binding until so registered.

Article XII

Amendments, ratification, etc.

Amendments to this convention can be proposed by either the assembly or the board. An amendment shall be binding on the member states as soon as it is approved of by the assembly by at least two-thirds of the total possible votes.

Section 2

In case of a disagreement between two or more member states or between one or more member states and the board relating to the interpretation of this convention, the question in dispute shall, at the request of any one of the interested member states or of the board, be referred to the permanent court of international justice.

Section 3

This convention shall be ratified. Ratifications shall be deposited with ... who shall notify the other signatory states.

Section 4

The convention shall come into force, in respect of ratifying states, when it has been ratified by ... of the signatory states including ... of the following: ... The date of coming into force shall be notified to all signatory states by ...

[Mr. Howe.]

Section 5

This convention may not be denounced until it has been in force for five years. At the end of this period and at the end of each six-year period thereafter any member state may denounce it. Denunciations shall be addressed to ... and shall be effective one year after delivery.

Section 6

Any non-signatory state may adhere to this convention at any time after it has come into force. Adherence shall be notified to ... who shall inform all signatory states.

Article XIII

Definitions

For the purposes of this convention the expression:

(a) "air service" means any air service performed by an airship, aircraft or towed glider for public use such as the transport of passengers, mails or cargo, including services under charter such as "air taxis";

(b) "international air service" means.....
.....
.....
provided that an air service between two contiguous member states shall be deemed not to be an international air service unless the two states, pursuant to section 3 of article I of this convention, have agreed that the service come under the exclusive jurisdiction of the authority;

(c) "member states of chief importance in international air transport" means the eight member states which, under the provisions of the annex to this convention, are entitled to the largest number of votes in the assembly;

(d) "nationality of aircraft" means the nationality of the state in which the aircraft is registered provided that the aircraft of an operating organization owned by two or more states or by the airline companies designated by two or more states is deemed for the purposes of this convention to possess the nationality of each of the participating states or companies;

(e) "territory" of a state means the territory of a state and its colonies, possessions, protectorates, mandates or territory abroad.

Article XIV

Provisional Article

Section 1

After this convention has come into force the member states shall observe the following rules governing the temporary continuation of existing international air transport:

(1) Such of their nationals as are engaged in international air transport shall discontinue their activities within two years unless they obtain licences under the provisions of this convention.

(2) If a member state has previously granted to a national of a non-member state any rights of international air transport such rights shall be revoked within two years provided that, if revocation would involve breach of an agreement made with the non-member state, the period of two years may be extended by the board.

Section 2

Until the international air transport board shall decide otherwise the jurisdiction of the regional air transport councils shall extend as follows:

(1) European air transport council: Europe not including the U.S.S.R., the United Kingdom and Ireland.

(2) North Atlantic air transport council: all routes between any point in North America which is north of 40° north latitude and any point north of 40° north latitude in Europe including the United Kingdom, Ireland and the European portions of the U.S.S.R.

(3) .....

Section 3

Until the international air transport board or the competent regional air transport council shall decide otherwise the aircraft companies designated in the attached schedule shall be deemed to possess licences issued by the international air transport authority to operate the routes designated in the schedule.

Schedule to Section 3

Part A. The North Atlantic.

(1) State A. A company or companies to be designated by state A to operate not more than ... round trips a week between any point in State A and any point in the British Isles or Europe north of 40° North latitude...

(2) State B. A company or companies to be designated by state B to operate not more than ... round trips a week between any point in state B and any point in...

(3) State C. A company .....

.....

Part B. The middle Atlantic .....
Part C. The south Atlantic .....
Part D. The north Atlantic .....
Part E. Inter-American .....
Part F. Europe .....
Part G. The middle East .....

Section 4

(This section should provide for an equitable allocation of transport aircraft between the member states during the period of scarcity following the cessation of hostilities.)

Section 5

The first meeting of the assembly shall be summoned by ... as soon as the convention has come into force to meet at ... two months after the date of coming into force of the convention.

Section 6

The following procedure shall govern the election of the international air transport board at the first meeting of the international air transport assembly. Each of the eight member states of chief importance in air transport shall, as soon as possible and not later than six weeks after the date of coming into force of the convention, nominate one of its nationals for membership on the board and the eight persons so nominated shall be deemed to have been elected by the assembly. Each national delegation may nominate one person to fill one of the remaining four seats on the board. The chairman of the assembly shall prepare a list in alphabetical order of all the persons thus nominated and shall submit this list to the assembly which shall vote by secret ballot. Those four candidates who obtain the highest number of votes shall be considered as elected. At the first meeting of the board lots shall be drawn to determine which two members shall serve for six years, which two for five years, which for four, which for three, which for two and which for one.

Section 7

Until the international air transport assembly shall decide otherwise the regulations governing such matters as air safety, rules of the air, competency of aircrew, ground signals, meteorological procedure, navigational aids, communications, air-worthiness, national registration and identification of aircraft, carriage of dangerous goods and salvage which are set forth in the attached schedule shall be deemed to have received the approval of the assembly under the provisions of subsection 5 of section 2 of article III of this convention (the assembly) and each member state undertakes to enact or modify its national laws to bring them into conformity with these regulations at the earliest practicable moment and in no case later than twelve months from the date of the coming into force of this convention.*

Annex to Convention

Section 1

For the first three years after the coming into force of this convention, the member states shall be entitled to votes in the assembly as follows:

(Then will follow a list of states with the number of votes to which each is entitled.)

Section 2

After the end of the period covered by section 1 of this annex the number of votes in the assembly to which each member state shall be entitled shall be determined as follows:

(Then will follow a formula.)

It is suggested that the functional principle as outlined by the Prime Minister of Canada in the House of Commons on July 9, 1943, be followed in deciding the number of votes to which each state is entitled in the assembly. The Prime Minister's statement of July 9 reads in part as follows:

"A number of new international institutions are likely to be set up as a result of the war. In the view of the government, effective representation on these bodies should neither be restricted to the largest states nor necessarily extended to all states. Representation should be determined on a functional basis which will admit to full membership those countries, large or small, which have the greatest contribution to make to the particular object in question."

* The schedule to section 7 would set forth provisional regulations which would among other things embody some of the rules and regulations contained in the conventions listed in section 1 of article XI.

Mr. STIRLING: The understanding was that this matter would be set aside to a future date so that it could be digested before the discussion continued.

Mr. MACKENZIE KING: That is correct.

DEPARTMENT OF NATIONAL DEFENCE FOR NAVAL SERVICES

6. Signal and wireless equipment, line construction, etc., $19,759,334.

Mr. ROY: I understand that a telephone line has been built on the north coast of the Gaspe peninsula by a crown company. I should like to know if this could be taken up under this item.

Hon. ANGUS L. MACDONALD (Minister of National Defence for Naval Services): Yes.

Mr. ROY: Is it the intention of the department to sell this telephone line to a private concern?

Mr. MACDONALD (Kingston City): The line to which my hon. friend refers, and other similar lines, are under the charge of a crown company known as Defence Communications Limited. Like other crown companies, this company is made up mainly of men from private business, from existing telegraph and telephone companies. They supervise the work of lines such as my hon. friend has in mind, and endeavour to see that existing lines are improved and certain new lines built.

Mr. ROY: What was the cost of this telephone line?

Mr. MACDONALD (Kingston City): The army, navy and air force all shared the cost of these lines, and the work is in charge of this crown company. Our share for the work carried on in eastern Canada is, $250,000.

Mr. ROY: Where could I apply to find out the cost of this line?

Mr. MACDONALD (Kingston City): Defence Communications Limited is under the jurisdiction of the Department of Munitions and Supply. I have no doubt that if my hon. friend addressed his communication to the president of Defence Communications Limited, care of Department of Munitions and Supply, he would get the information he desires.

Mr. MARSHALL: In 1940 there was established a naval services equipment division for the purpose of securing the production of certain equipment and assembly components, particularly in connection with shipbuilding. I think it operated for two years, and then I understand that on July 10, 1942, authority was obtained to dissolve the division. It seems to me that it has done some very valuable work and I was wondering what objects were achieved by dissolving it in 1942.

Mr. MACDONALD (Kingston City): The work has not ceased at all. It is now being done by the Department of Munitions and Supply. In the earlier days the experimental work which was a necessary preliminary to the manufacture of the items was done by the department of naval services with some assistance from other sources. But the experimental stage having now passed, the actual work of manufacture has been taken over by the Department of Munitions and Supply.

Mr. McGARRY: Has the department contributed to the building of the line between Pleasant Bay and Cheticamp?

Mr. MACDONALD (Kingston City): I should say, without looking up the details, that we did. That would be part of the Atlantic coast programme to which we contributed.

Mr. BLACK (Cumberland): At page 1565 of *Hansard* of yesterday I asked about land lines on Cape Breton island. The minister was to give more detailed information later with respect to that matter, in which the hon. member for Inverness-Richmond was interested. What construction work has been done the better to serve the needs of the three departments in the northern part of Cape Breton isalnd, and incidentally serve also the needs of the people resident in that part of Nova Scotia and having business or personal relations with the northern part of Cape Breton island?

Item agreed to.

7. Ammunition and bombs, $23,835,200.

Mr. FRASER (Peterborough West): Are the different ships allowed sufficient ammunition for plenty of target practice?

Mr. MACDONALD (Kingston City): Oh, yes; I do not think there is any shortage of ammunition.

Mr. FRASER (Peterborough West): There was, I believe, a year or a year and a half ago. Have they plenty now?

Mr. MACDONALD (Kingston City): I do not recall that there ever was a shortage; there may have been. Certainly at the present, as for some time past, there are large reserves of practice ammunition available.

Item agreed to.

8. Armament, including rifles, machine guns, naval guns, et cetera, $26,458,650.

Mr. STIRLING: Will the minister explain this considerable decrease?

Mr. MACDONALD (Kingston City): This item is to provide for guns and mountings—that means low-angle and anti-aircraft guns; also to provide small arms, depth charges, fire control apparatus and the like. It also includes the programme for modernization and an increase in armament of some of our ships now in commission to meet the need for more fire power, particularly against aircraft. Finally it includes a certain amount of armament for the training of recruits. I am glad to be able to say that in Canada sufficient guns are being produced and in sufficient variety so that the complete programme of fitting Royal Canadian Navy ships can be met without any difficulty whatever.

Mr. STIRLING: Is the armament already provided for the destroyers built and in course of building?

Mr. MACDONALD (Kingston City): For the destroyers already built armament was provided in Great Britain.

Mr. STIRLING: And one was launched.

Mr. MACDONALD (Kingston City): The Tribals built in Great Britain were provided with armament there, and of course the destroyers that we acquired from Great Britain were fully equipped when we got them.

Mr. STIRLING: But the one now building?

Mr. MACDONALD (Kingston City): I think some guns for the destroyer which is being built at Halifax are coming from Great Britain.

Mr. BLACK (Cumberland): Is the minister free to give the sizes and the number of the guns on these new Tribal boats which are being built in Canada?

Mr. MACDONALD (Kingston City): I do not know that I want to particularize in too much detail, but they run from 4·7 inch guns down to the Lewis and Bren guns.

Mr. BLACK (Cumberland): The 4·7 inch guns—guns of that size—are built in Canada, are they not?

Mr. MACDONALD (Kingston City): We are making some 4 inch guns. I am not sure about 4·7 inch guns, but I can find that out. The destroyers built in Great Britain are equipped with guns at the British yards there. I think 4·7 inch guns are also coming from Great Britain for the destroyers building in Halifax, but I am not quite sure on that point.

Mr. BLACK (Cumberland): Would the minister care to make a statement as to the progress being made in the building of these Tribal destroyers? One was launched some months ago, and I understand that another is about ready to be launched. I would like to know, if the minister thinks it is all right to give the information, when the balance of the programme will be completed and when these destroyers will be in service. There are some misgivings as to the length of time required to build them and get them equipped and into actual service. We are all anxious to see this class of construction undertaken and carried out successfully in Canada. On the other hand, it is the feeling of everybody that the justification for building them is to have them fully equipped and ready for active service at the earliest possible date.

Mr. MACDONALD (Kingston City): It is inevitable, I think, that the building of the first of these destroyers should take longer in this country than it would take in a country where more experience had been acquired in this type of work. It is inevitable that the building of the hull should take a little longer, and that there should be a delay in connection with the installation of the machinery, which is of a new type so far as this country is concerned, as compared with what might have been done in the yards of Great Britain and the United States, where long experience has been gained in that type of work. But, all things considered, I think progress is reasonably satisfactory. The destroyers will take somewhat longer to build and will cost a little more than if they had been constructed in Great Britain. On the whole, however, I think that if, as I said the other day, we are to have a navy in this country we should build in Canada as many ships for that navy as we possibly can, and we have to acquire experience in our own yards. Destroyers are vital constituent parts in any navy. I believe that in future years it will be said that, all things considered, we did wisely in undertaking the construction of these ships at the time we did. Further, when we formed our plans for the building of destroyers in Canada, there was continually in our minds the possibility that English yards would be bombed and that it might be difficult to carry on work there. Happily, in the last year or so that condition has pretty well passed away, and the British yards are doing their usual fine work. But in 1941, when we took this decision, there was a strong possibility that some of the British shipyards would find it very difficult indeed to carry on. So, that all in all, I think the decision was wise. While I should like to see the

work proceed a little more rapidly, I understand the difficulties and delays, the labour problems and the problems connected with getting the machinery. Everything is being done, of course, that we can do from this end to speed up this work.

Mr. BLACK (Cumberland): I thank the minister for the answer he has given, but he has hardly answered my question as to the number included in this programme for the construction of Tribal destroyers, and when it is expected that the programme will be completed and each unit will be ready for service. One ship was launched some time ago and another one is nearly ready to be launched. It should be pretty well known by now when that will be equipped and ready for service. I should also like information with respect to the others.

The minister also admits that construction here costs more than it does in the older yards, in Great Britain and other places, and I appreciate that that is necessarily so. He informed the committee that the cost will be a little larger than in these older yards. I should like to know what he means by "a little."

Mr. MACDONALD (Kingston City): Oh, well, I cannot give my hon. friend that information. As a matter of fact, I do not know how much more it will be. The destroyers are not yet completed. The work is being done on the first destroyer on the basis of cost plus a fixed fee. What the final cost will be I cannot tell my hon. friend at this moment. It is inevitable that it will be greater than in Great Britain. Our rates of labour are higher here than in Great Britain; our cost of material is somewhat higher. What the ultimate cost of that first destroyer will be I could not say at the moment. It will be greater—more than "a little". I am afraid it will be substantially greater than it would be in Great Britain.

Mr. BLACK (Cumberland): Fifty per cent more, may I ask the minister?

Mr. MACDONALD (Kingston City): I should think probably it would, on the first destroyer.

Mr. BLACK (Cumberland): But no more than 50 per cent?

Mr. MACDONALD (Kingston City): Well, I do not know. It may be more.

Mr. BLACK (Cumberland): Would the minister care to give the committee the information as to the number of ships in the present programme, and when it is expected they will be completed, ready for active service?

[Mr. A. L. Macdonald.]

Mr. MACDONALD (Kingston City): My hon. friend is referring to the Tribal destroyers?

Mr. BLACK (Cumberland): Yes.

Mr. MACDONALD (Kingston City): We already have four of these ships in commission.

Mr. BLACK (Cumberland): But I mean the ones which are being built in the yards at Halifax.

Mr. MACDONALD (Kingston City): The programme involves four ships there. We anticipate now that the last ship will be launched in May of next year. My hon. friend understands, of course, that when you have launched a ship of war you still have a great deal of work ahead of you. The installation of machinery, the trials of the ship, and all the rest are a problem in themselves just as great as, and in some cases perhaps greater than, the hull work. But it is anticipated now that the last destroyer will be launched in May, 1945.

Mr. BLACK (Cumberland): I am not able to get the information from the minister; I will not press him if he informs the committee that it is not in the public interest to disclose it. The information I am asking for is, when will these ships be fully completed and equipped and ready for active service—the first of the programme of four Tribal destroyers, and the last of the four?

Mr. MACDONALD (Kingston City): I should say to my hon. friend, although it can be only a guess, that the first ship, the one which has already been launched, the *Micmac,* will be commissioned next spring or early summer, a year or a little more than a year from now. The last one ought to be commissioned about a year after she is launched. She will be launched, we hope, next May; she should be commissioned in the following summer. I think we ought to make more rapid progress as we go along, and I should hope the last ship would be commissioned by the summer of 1946—not 1950, as someone suggested here the other day.

Mr. ISNOR: I recall very well the launching of the *Micmac,* the Tribal destroyer, in Halifax, at which the Minister of National Defence for Naval Services was present, and Mrs. Macdonald, the wife of the minister, had the honour of christening that splendid ship. I also remember when the construction of destroyers in Canada was first mooted; there were many who thought it was impossible for Canada to undertake the building of this type of craft. But I recall travelling from Montreal to Halifax with a Mr. Mariner,

who was connected with one of the Scottish shipbuilding concerns, and had been in Canada for a period of about a year or a year and one-half when the war broke out. He made the statement then that there was no reason why Canada should not be able to build its own destroyers. I was pleased, as I think was the country at large, when announcement was made by the navy department that this type of ship would be constructed in Canada.

I am surprised that the hon. member for Cumberland, with his knowledge of the difficulties experienced in his own town of Amherst with respect to aeroplane construction, would be critical of the time taken to bring to successful conclusion a new undertaking such as the one to which he referred. It is almost impossible in a country like Canada to build ships in the same time as in the shipyards of the old country. We did not have the facilities at the time, although the Halifax shipyards are well equipped now. We were without the skilled labour and material. It was not thought possible that the material would be available in this country. But all those obstacles were overcome and we were very happy on the occasion of the launching of the *Micmac*. I do not think it is a question of time, although we are all anxious to see those boats completed and launched at the earliest possible moment. What we should bear in mind is that Canadian workmen were able to build boats, something which we thought three years ago was impossible.

I think the Halifax shipyards have done exceptionally well in regard to the handling of those two contracts. One ship is afloat and the other one is about to be launched. It is a matter of finishing up the fittings. I am looking forward to the day when we shall have not only those two in commission but many others built by Canadians in Canadian shipyards.

Mr. BLACK (Cumberland): I commended this policy and the minister for having undertaken the construction of those ships in Canada and in Nova Scotia. This is in line with the policy that was proposed by other governments in previous years, although unfortunately not carried out. I recognize also that it is to be expected that the initial ships would take longer to build than they have in other yards. On the other hand, I think it is perfectly proper, in seeking information covering this enormous expenditure for a very worthy purpose, to ask for information as to the time it takes to build those vital ships and as to the cost and the justification for the additional cost. If this committee is not to get that information we might as well adjourn. We are here for the purpose of getting information.

I do not wish to press the minister unduly, but I should have liked to have from him a statement as to whether he considers that the construction programme has proceeded with the expedition that we should reasonably expect to be the case in a time of war and at a time when we are in desperate need of having those ships commissioned for active service. I am not critical of the programme, but I do want information as to the cost in Canada in comparison with the cost elsewhere. I want information as to the time it takes to build those ships in this country as compared with the time taken in other countries. I am glad this programme has been undertaken. I regret it was not undertaken by the government much earlier. I hope that it will be a success and that it will be an established programme in the years that lie ahead, although we all recognize that the building of ships of war after the successful termination of the war will be extremely limited in comparison with the needs at the present time.

Item agreed to.

9. Fuel cost of ships, $27,806,604.

Mr. STIRLING: What part of this is coal and what part oil?

Mr. MACDONALD (Kingston City): By far the greater amount of it would be for oil. The amount of coal for steaming is estimated at 35,600 tons, and coal for heating ships, 3,182 tons. In value that forms about two per cent of the total fuel requirements.

Mr. NOSEWORTHY: Has the minister a break-down of the amount allowed for the purchase of oil, showing the companies from which these quantities are to be obtained?

Mr. MACDONALD (Kingston City): I have not the break-down by companies. We would requisition the Department of Munitions and Supply to get the oil for us and some of it would be purchased here, some purchased in Newfoundland, some purchased in Great Britain and some in United States ports and elsewhere.

Mr. FRASER (Peterborough West): I understand that there is some trouble on the diesel-powered ships in regard to seawater getting into the oil tanks. Has the water been allowed to get in after the oil is on the ship or when it is being loaded, or is it oil that comes up from South America?

Mr. MACDONALD (Kingston City): Is my hon. friend speaking of oil carried in bulk?

Mr. FRASER (Peterborough West): Yes, and supplied to the ships. I understand that salt water is allowed to get into some of the ship tanks causing the nozzles of the metal burners on the diesels to corrode.

Mr. MACDONALD (Kingston City): Rust?

Mr. FRASER (Peterborough West): Corrode.

Mr. MACDONALD (Kingston City): I would have to look into that. Of course my hon. friend knows there are always problems connected with the ships that burn oil fuel; in fact, any kind of fuel, but as to the particular point he raises I cannot speak at the moment with accuracy. I shall have it looked into and give my hon. friend the information later.

Mr. MacNICOL: This item refers to fuel for ships. Where is the item that refers to fuel for the heating of the barracks and the yards?

Mr. MACDONALD (Kingston City): That would be under maintenance of properties.

Item agreed to.

10. Acquisition, construction, charter, repair and upkeep of ships, $82,282,000.

Mr. MacNICOL: I observe that the total estimate of the department has been reduced by approximately $79,000,000. This particular item has been reduced by about $85,000,000, as against a reduction of $79,000,000 on the total estimate for this department. From that I would take it that the department is under the impression that the shipbuilding programme is reaching its objective. I should like to ask if that is the case.

Mr. MACDONALD (Kingston City): My hon. friend is using the figure of $167,000,000, which was the estimated expenditure for the present year. I may tell him, however, that we did not spend that sum. The year is not quite over yet and consequently I have not the exact figure, but I should think it would be somewhat less than the figure of $167,000,000. It is true, as my hon. friend points out, that the estimate for this year is considerably less, but we are still building a good many ships in this country. As I indicated in my statement the other day, we propose to add a very considerable number of ships to the navy during the present year, so that our shipbuilding programme is by no means completed.

[Mr. G. K. Fraser.]

Mr. FRASER (Peterborough West): Could the minister give us the kind of ships that have been built during the past year, and what kind of craft are being built now, such as landing craft, seeps and small craft of that kind? This item deals with acquisition, construction and charter. How many has the department bought; how many has it constructed and how many has it chartered during the past year, with the cost in each case if that can be given?

Mr. MACDONALD (Kingston City): To mention some of the ships we are building there are destroyers, frigates, corvettes—

Mr. FRASER (Peterborough West): Could the minister give the number of each?

Mr. MACDONALD (Kingston City): Well, if I did so, it would have to be very approximate: destroyers, frigates, corvettes, Algerine mine-sweepers, Bangor mine-sweepers, Bassett mine-sweepers, wooden mine-sweepers of 105 feet and 126 feet; some motor launches, which means Fairmiles; some patrol vessels and various types of auxiliary vessels such as harbour vessels, gate vessels, examination vessels and so on. That would be a rough description of the ships we are building.

Mr. FRASER (Peterborough West): What about landing craft and seeps?

Mr. MACDONALD (Kingston City): No, not for our navy.

Mr. NOSEWORTHY: How is this item of $82,000,000 divided or broken down under these four headings? What is the amount of each?

Mr. MACDONALD (Kingston City): Acquisition and construction would be about $47,000,000; charters would be about $1,000,000; the repair and upkeep of ships would be about $33,000,000, all in round figures, making a total of $82,000,000.

Mr. FRASER (Peterborough West): There would appear to be a misleading article in the copy of the Toronto *Star Weekly* I have in my hand, if the government is not buying craft of this kind. This article refers to amphibious jeeps, amphibious ducks, and seeps.

Mr. MACDONALD (Kingston City): Of course some craft are being built in this country, but not for the Canadian navy; probably that is what the article refers to.

Mr. FRASER (Peterborough West): Then who would have control of these; the army?

Mr. MACDONALD (Kingston City): Some ships of that kind are being used by the army and some are being built for Great Britain.

There are many types of ships being built in this country for Great Britain. I am speaking now of ships being built for the Canadian navy, and none of those landing craft are for the navy.

Mr. FRASER (Peterborough West): Is there a plan on foot to build any of them?

Mr. MACDONALD (Kingston City): No.

Mr. FRASER (Peterborough West): Then, if there is an invasion of Europe by the allies, Canadians will have to ride in the landing craft of other nations; is that true? They will have to be carried in the craft of other countries; the Canadian navy will not carry them; it will be other allied countries which will supply the boats?

Mr. MACDONALD (Kingston City): There is nothing unusual about that. We are using guns which were produced in other countries, while some other countries are using guns made here. We might be using the ships of another country and at the same time be building ships here for Great Britain and the United States. There is nothing abnormal or unusual about that. Certain craft of that type have been built in Canada, but I say that none has been built for the Canadian navy. I believe the Canadian army had some, and perhaps some were built in this country for the United Kingdom, while of course a great many were built in the United States and some are built in England. We are not building any in this country for the Canadian navy as such.

Mr. FRASER (Peterborough West): In case of an emergency, if Canada needed some of these craft in a hurry, she would have to go to other allied countries to get them; is that right?

Mr. MACDONALD (Kingston City): I do not know that my hon. friend should put it in that way. I do not think hon. gentlemen should always try to put the worst possible construction on everything.

Mr. FRASER (Peterborough West): I did not mean it in that way.

Mr. MACDONALD (Kingston City): Then I will say, Mr. Chairman, that it sounds very much like it; that we will have to go to somebody else, virtually with our hat in our hands, saying, "Please give us ships." I do not think this country has to apologize for what it has done in the matter of providing ships, guns or anything else. It is a common thing for one country to undertake a certain line of work and give its surplus to another country. We have built a hundred ships here for Great Britain. We have built a few ships for the United States. We do not say, because of that, that the British navy is falling to pieces, or that England has to come begging us for ships. We were able to help Britain in the case of ships, and we were able to do so in connection with guns, ammunition and depth charges. We were able to give some of these to other countries, and they were glad to accept them. In return we took some things from those other countries. It is an exchange that is honourable, reasonable and fair on all sides. As to landing craft, we have not built any for the Canadian navy, but such craft have been built in the country and I have no doubt that there will be a sufficient number of those craft to deal with the situation when it arises.

Mr. FRASER (Peterborough West): I am just as proud of the Canadian navy as the minister is, and I was not casting any reflection upon it or upon the building programme. But I know how the boys feel; they like to be carried in their own Canadian boats, and that was why I rose and said what I did. I make no apology for doing so, and I know the minister understands how I feel about the matter.

Mr. NOSEWORTHY: In the case of boats that are chartered, what is the relation of the minister's department to the Department of Transport? To what extent is the Department of Transport involved in the charter of these boats; on what basis is the charter hire decided, and by whom?

Mr. MACDONALD (Kingston City): The director of marine services, who is an official of the Department of Transport, acts as our agent in this matter. With respect to the basis upon which boats are chartered, there is at the coast a committee known as an advisory board, which examines the vessel and determines what it thinks a fair charter would be. I believe that the committee on the east coast consists of three, and that there is on the west coast a similar committee which carries out those duties. They work pretty well along certain formulae; they look at the ship, allowing so much for depreciation, so much for administration expenses and the like. Then they fix what they regard as a fair charter to pay for that ship.

Mr. BROOKS: We understand, of course, that the navy is operating in the Mediterranean, and in all the seven seas. Do those ships come back to Canada for repairs, or are they repaired in the ports of the different united nations? If they return to Canada, what places in this country are being used for that purpose?

Mr. MACDONALD (Kingston City): Some of the ships would be repaired here, and some

might be repaired in Great Britain or elsewhere. I should assume that if ships were in the Mediterranean area they might be repaired there. Others might be repaired in the United States. In this country, starting at Newfoundland, the repair yards would be at St. John's, and at Bay Bulls one is under construction. There are several places in Nova Scotia where repairs can be made. Then, there is, of course, the Saint John dry dock at Saint John, New Brunswick, where repairs might be carried out. In the summer months repairs can be done at Quebec and Montreal. On the west coast repairs can be undertaken at Vancouver or Victoria.

Mr. BROOKS: The policy is to make repairs at the most convenient point.

Mr. MACDONALD (Kingston City): It has to be done in that way, yes.

Mr. MARSHALL: The people of Stettler, a thriving little town in my constituency, would like me to express to the minister their deep and sincere appreciation for the department's having named one of the corvettes after that town. This seems to be an unusual procedure, but it was done because the people of Edmonton made it possible, as was explained to the house a few evenings ago by the hon. member for Edmonton West. Stettler suffered severely from the battle of Dieppe, and I have no doubt that the naming of the corvette after that town will perpetuate the memory of the heroism of the men who came from that community.

I thank the minister, too, for having sent me an invitation to attend the launching ceremonies last summer. Unfortunately his invitation arrived about two days before the launching, so that it was quite impossible for me to be present on that occasion. Could the minister give some information as to the operations of this corvette?

Mrs. CASSELMAN: I made inquiries about the *Stettler* just the other day, and I find that it is to be commissioned probably next month, and will then be called for duty. If the minister will let us know when it is to be commissioned we would appreciate it. I am sure the hon. member for Camrose, as well as the hon. member for Edmonton West, would appreciate having that information.

Mr. MACDONALD (Kingston City): I shall be very glad to do that. I believe it should take place before many more months. The tentative date was next month, I believe, but whether or not that date can be met, I cannot say. However, we will give the hon. members for Edmonton East and Camrose due notice of the commissioning date.

[Mr. A. L. Macdonald.]

Mr. BROOKS: We are interested to hear hon. members from different constituencies say that ships have been named after two or three places in those constituencies. It would seem to me that, when there are 245 constituencies in Canada, the names might be passed around, so that each constituency might name a ship. For instance, my own constituency could provide some satisfactory names. We have towns with good English names such as Hampton, Norton, and Sussex. Then, if you wish Indian names we have Penobsquis, Quispamsis, Nauwigewauk and Apohaqui. It might be wise to have these names passed around to the different constituencies. Could the minister give the committee some idea as to how these names are selected, and by whom?

Mr. MACDONALD (Kingston City): At first I must say that the names were selected rather at random.

Mr. BROOKS: I am afraid so.

Mr. MACDONALD (Kingston City): But eventually the practice was developed of having the ships named after cities and towns, in order of their size. That seemed to be the only fair way of doing it.

Mr. BROOKS: Stettler is not a very big place.

Mr. MACDONALD (Kingston City): No, Stettler is not. But the city of Edmonton, which would have been entitled to the naming of a ship, was unable to accept that honour because of possible confusion with the name of a ship already existing. They were then asked to suggest an alternative name, and I believe they suggested the name of Stettler. I must say, however, there were several New Brunswick names.

Mr. BROOKS: I know.

Mr. MACDONALD (Kingston City): There is a new frigate named the *Saint John,* which will be commissioned shortly. Then we have the *Buctouche,* the *Moncton,* the *Fredericton,* the *Edmundston,* the *Sackville* and the *Shediac.* It seems to me that the name of Sussex might not be used, because I am almost certain there is a British ship of that name, in which event we would not use it for a Canadian ship.

Mr. BROOKS: I can supply a substitute, if the minister wishes?

Mr. MACDONALD (Kingston City): Very well.

Mr. DOUGLAS (Weyburn): The minister will recall that a corvette was named after

the city of Weyburn. The people of that city took a keen interest in the ship, sending comforts to the men and keeping in touch with the crew. After the corvette *Weyburn* went down, with her guns blazing, the minister said that an attempt would be made to name another corvette after that city. Has it been possible to do so, or is that within the realm of possibility?

Mr. MACDONALD (Kingston City): I do not think that name has yet been assigned. It is a common practice to reassign, after a certain time, names of ships which have been sunk in action. I doubt whether the name Weyburn has been reassigned to any other ship, but I shall keep my hon. friend's representations in mind.

Mr. MacNICOL: Has the department considered naming ships after historic areas in cities? For instance, in my own end of the city of Toronto there is an historic area known as Earlscourt, named after Earlscourt in London where Buckingham palace is located. Down through the years this part of the city has been settled mainly by old country people, perhaps to a greater extent than any other part. During the last war and during this war the people enlisted almost en masse, many of them in the navy, many in the air force and many in the army. If the department considers adopting this practice I suggest that perhaps Earlscourt may be considered a name of a fighting ship. Another historic area in Toronto is Trinity where the famous Robert Baldwin lived. Another area is High Park, which was donated by one of our great philanthropists. Another is Danforth in the east end of the city, and my desk-mate suggests that perhaps you could name one after the hon. member for Broadview, who was seven times mayor of Toronto—Church.

Mrs. CASSELMAN: You might even name one after the Minister of National Defence for Naval Services.

Mr. NOSEWORTHY: Do I understand the minister to say that his department depends upon the inspection and report by the Department of Transport in connection with the value and charter price of boats?

Mr. MACDONALD (Kingston City): What I told my hon. friend was that the director of marine services in the Department of Transport handles these requisitions for us. He in turn has an advisory board on both the east coast and the west coast which estimates the value of a ship and the proper amount of charter money which should be paid.

Mr. NOSEWORTHY: Some weeks ago I asked the minister to check up on a small boat which had been requisitioned and then returned to the owner. Has he had time to gather any information?

Mr. MACDONALD (Kingston City): An investigation into that has started and I hope to bring down the return shortly for my hon. friend.

Mr. NOSEWORTHY: I have before me a return, sessional paper 253, which was brought down for another member in April, 1942. From a study of these papers I have come to the conclusion that in these matters there is anything but cooperation between the Department of Transport and the Department of National Defence for Naval Services. There is certainly an undue amount of red tape which causes inconvenience to citizens whose properties have been requisitioned.

For instance, I find that this particular boat was taken over by the naval department on December 7. The Department of Transport had the boat inspected on December 9 by a marine surveyor, and then on December 13 by a steamship inspector, at which time a valuation was placed on the boat. On January 3, after a considerable length of time, the advisory board, to which the minister referred, placed on the boat a valuation which was incidentally less than that of the marine inspector. This report was not sent to the naval department by the Department of Transport until September 21; seven months passed before the findings of this board were reported to the minister's department. The result was that this citizen whose boat had been chartered had to wait seven months for his first cheque, and he received this only after making a special trip to Ottawa.

As another illustration of the lack of cooperation, this citizen was notified on September 9, by the engineer in charge of Halifax harbour, working under the minister's department, that the charter was to be cancelled or that the department desired to cancel the charter which had been entered into, and the citizen was requested to come and get his boat. On October 18, nearly six weeks later, the Department of Transport executed a new charter with the citizen.

There are a couple of other points I should like to call to the minister's attention. The marine inspector of the Department of Transport valued this boat at $16,500, but the board, to which the minister has referred, reduced this valuation by twenty-five per cent to $13,200, on the ground that the surveyor had allowed a twenty-five per cent war appreciation over the actual value of the boat.

I assume that the minister's department is responsible for the examination of boats placed in dry dock. This boat was placed in a dry dock the latter part of February, 1941, and was there for fourteen days. The evidence here shows that ceiling planks were removed; conditions were found to be good, and so forth. As a result of this examination a requisition was made for the expenditure of $844 on the boat, and apparently this was approved and spent toward the end of February on an annual overhaul. On April 8, after the boat had been in dry dock for two weeks and had been given this outfitting costing $844, she comes back into dry dock again for two days to get a coat of paint. Then a month later she comes back into dry dock again for another coat of paint. There is no evidence in the return to show what these two extra coats of paint cost. The interesting part is that a few weeks after these expenditures on the boat the minister's own engineers discovered that the boat was rotten and would require approximately $5,000 to make it seaworthy. On the strength of that they notified the owner to take his boat back.

The confusing situation is that two inspectors of the transport department set an appraisal value on the boat of $16,500, and then $13,200; that the minister's own engineers considered the boat worth overhauling to the tune of $1,000 of the ratepayers' money, and then a couple of weeks later they discover that the boat is rotten and unfit for service. When the owner was asked to take the boat back, there is a copy of a telegram here in which he offered the department the free loan of the boat for the rest of the season, and the department replies that the boat simply cannot be used at all. Somebody in one or other of those departments is grossly inefficient and wasteful of the public's money. If you are going to put a boat that is rotten, that cannot be used, that must be discarded, into dry dock and spend nearly a thousand dollars on it—and incidentally there was another five hundred dollars of the taxpayers' money spent before the boat was returned—I should like to know who is at fault, who does not know his job. I think the taxpayer has a right to know why we should spend one thousand or fifteen hundred dollars on a boat which two weeks later is declared to be rotten.

Mr. MACDONALD (Kingston City): My hon. friend took this matter up with me before, and I am looking into it. I do not think his interpretation of the return is accurate in all respects, but I will look into the matter again and see if further information can be brought down as he requested in his motion for a return some time ago.

[Mr. Noseworthy.]

Mr. BLACK (Cumberland): This item of $82,282,000, the largest except one in the minister's whole estimates, involves the repair and upkeep of ships. I would ask if he could now or later provide the committee with a statement showing the repairs for the current fiscal year that have been made on one class of ships, say corvettes, showing the repairs to each corvette for the current fiscal year. We all recognize that these ships, which have done such splendid service during the war, are subject to very hard usage and sometimes require extensive repairs, especially those that have been in touch with the enemy and suffered damage in action. On the other hand, there is the feeling in some parts of the maritime provinces that at least some of these ships are tied up for too long a period at wharves and at repair yards, and there is a reflection in some cases upon the concerns that constructed these ships; in other cases it is a reflection upon the yards doing the repairs, and in other cases a reflection upon the crews, that they encourage long delays in port and do not want the repairs completed earlier. I think that is a very unfair reflection. There are also rumours that some of these ships have been subjected to sabotage. I have even heard that some of the corvettes in active service have had sand or some other abrasive in their lubricating oil, involving extensive lay-ups and overhaul. I should be glad if the minister would give the committee a statement covering the total expenditures for repairs on each of the corvettes for the current fiscal year and also if he could give me information with respect to my other inquiries.

Mr. MACDONALD (Kingston City): It will take some considerable time to get the figures of these expenditures. I cannot hope to do so to-day or tomorrow. There are a great many of these ships and repairs have been carried out, I was going to say, in practically every port of the world, but that would not be accurate. There is great difficulty sometimes in distinguishing between repairs to a ship and alterations that are made by virtue of new discoveries, new guns, or new types of equipment installed in the ship. Often it is very difficult to say where a repair job ends and where what is called an alteration or addition begins. I will do the best I can for my hon. friend. I cannot guarantee to get the information before these estimates are finally passed.

As to the other statements of sabotage, I know of no such case. It is a common thing for people to shout "sabotage" any time anything happens in the service by way of fire or otherwise. There was one case of fuel

trouble, I recall, that was very suspicious. That was examined by our engineers, who went right to the spot, took the oil out, analysed it and came definitely to the conclusion that there was no sabotage whatever. There was some defect in the pipes, which produced a fine steel dust, but there was no evidence of sand or any other element having been thrown into the oil deliberately.

Item agreed to.

11. Naval stores and harbour defences: small boats, minesweeping, degaussing, anti-submarine, fire-fighting and training equipment, et cetera, $34,678,967.

Mr. MacNICOL: I was going to ask for an explanation of the significance of "harbour defences." I was under the impression that the Department of National Defence provided for the defence of harbours. What does this mean?

Mr. MACDONALD (Kingston City): I can tell my hon. friend what we mean by that. The Department of National Defence (Army) does, of course, have some hand in the defence of ports, having guns at some of the ports, and so on. But when we speak of harbour defences we mean boom defences, for instance; we mean mine fields; we mean instruments that detect by sound the approach of hostile ships and things of that kind.

Mr. MacNICOL: Has the department its own fire-fighting brigades, using their own pumps and fire-fighting equipment? If so, what is the reason for so many fires having taken place in barracks and buildings of one kind and another?

Mr. MACDONALD (Kingston City): There have not been so many fires. On a wharf at Sydney there was a fire which was very difficult to control because it ran through an oil pipe, which in turn ran through a tunnel, which in turn ran under a wharf. This oil was burning and the fire was extremely difficult to control. There was another fire at Shelburne shortly afterwards, but not a very serious one. Nearly all these buildings are wooden buildings and there is a danger in that regard. We have a fire-fighting organization of our own which is being developed, in fact, has been under development for some time at all these bases.

Mr. MacNICOL: I would not ask this question if I knew the answer, but I do not. It may be an insignificant question. But what is the meaning of "degaussing"?

Mr. MACDONALD (Kingston City): That is an arrangement by which the effect of mines is neutralized by running a certain cable around the ship, so that the magnetic mine has no effect. It is called "degaussing", because the engineer who designed the thing was named de Gausse.

Mr. FRASER (Peterborough West): Have any steps been taken to try to protect the various harbours against the oil which is dumped from boats? The minister himself knows that in some of the harbours the docks are just covered with the oil. Is there any chance of checking on that?

Mr. MACDONALD (Kingston City): That is a matter for the national harbours board. Inasmuch as the harbour of Halifax is concerned, this was taken up with them at one time and another. It is not a matter which is under the control of the navy.

Mr. FRASER (Peterborough West): It is not under the navy?

Mr. MACDONALD (Kingston City): No.

Mr. FRASER (Peterborough West): Is it not the navy boats which would partly be responsible for that condition? Would it arise from the boats in convoys?

Mr. MACDONALD (Kingston City): I suppose so. You always have oil when you have a large number of ships. Probably some of the oil comes from navy ships and some from merchant ships.

Mr. FRASER (Peterborough West): That is being checked, is it?

Mr. MACDONALD (Kingston City): I know that some time ago, a year or so ago, the citizens of Halifax were appealing to the national harbours board to see what it could do to lessen this flow of oil into the waters of the harbour; but it is very difficult to prevent it when there are so many ships in the harbour.

The CHAIRMAN: Is the item carried?

Mr. MACDONALD (Kingston City): I think one hon. member wanted item 11 to stand over.

Mr. ISNOR: It would be quite satisfactory if I could speak on item 12 or 13 upon a matter which pertains to item 11.

Item agreed to.

12. Miscellaneous stores and services: printing, stationery, laundry, office machinery, teletype rental, et cetera, $8,873,210.

Mr. ADAMSON: Is there such a body as the Royal Canadian Navy Film society, showing films on board ship?

Mr. MACDONALD (Kingston City): Yes.

Mr. ADAMSON: And that is distinct from all the auxiliary services? Could the minister explain that? I have had some inquiries concerning its operation.

Mr. MACDONALD (Kingston City): I should be glad to send my hon. friend the first annual report. Probably that would be the best way of answering his question. I am sure he would be interested in it. It is called the Royal Canadian Navy Film Society, and consists of a committee, mostly of naval officers. Associated with them is the dominion film commissioner. The report indicates what they have done during the year.

Mr. ADAMSON: Thank you very much for offering to send me a copy of the report. Who is the motion-picture officer? There is a motion-picture officer, I understand, is there not?

Mr. MACDONALD (Kingston City): I myself am the honorary president of the society, but I regret to say that I have been of very little assistance.

Mr. GOLDING: Clark Gable Macdonald!

Mr. MACDONALD (Kingston City): The chairman of the committee is Captain Brand, of the navy; and the manager, who might be called the film officer, is Lieutenant D. S. Rubin, R.C.N.V.R.

Mr. ADAMSON: I understand the operation is that they buy films from the United States—first-run films or other sorts—and show them at a fixed fee, the ratings paying five cents and the officers twenty-five cents. However, it will all be in the report. Are those the general principles?

Mr. MACDONALD (Kingston City): I am not sure that there is a charge for each particular performance. I notice that the society obtains a revenue from showing its programmes in ships and making a charge of twenty-five cents per officer and five cents per man.

Mr. ADAMSON: Per performance?

Mr. MACDONALD (Kingston City): Yes; I thought there was a net fee covering, say, a year, but it is a fee for each performance.

Mr. ADAMSON: And that money goes for the purchase of films and equipment?

Mr. MACDONALD (Kingston City): That is right.

Mr. ADAMSON: And presumably it is done through the motion-picture officer, Lieutenant Rubin?

Mr. MACDONALD (Kingston City): Lieutenant Rubin is the manager, yes.

[Mr. A. L. Macdonald.]

Mr. MARSHALL: Could the minister put on *Hansard* the amount which his department spends for rentals? I am only interested in the one item of teletype rental, but it would be appreciated if the minister would place on *Hansard* a statement of the amount his department spends from year to year in connection with the rental of office machines such as typewriters. The amount which the government as a whole spends for the renting of these machines runs into millions of dollars a year.

Mr. MACDONALD (Kingston City): My hon. friend is speaking of typewriters and other types of office machines? I do not think we rent any typewriters. I shall look into the matter and see if there is any other type of office equipment that we rent.

Mr. MARSHALL: How much has the minister set aside for this particular item this year?

Mr. MACDONALD (Kingston City): For new typewriters and office machines we have $110,071; repairs to machines, $42,947.

Mr. MARSHALL: Are these rental fees?

Mr. MACDONALD (Kingston City): No, these are machines which we own. I think we own all our typewriters. Perhaps there are some machines such as the Hollerith, and perhaps some of the teletype machines, which we rent, but I will look into that and get the information for the hon. member.

Mr. MACKENZIE (Vancouver Centre): Last night I announced that we would finish with these estimates at six o'clock and go on with agriculture estimates at eight o'clock. Would there be any objection to finishing the last item at eight o'clock?

Mr. STIRLING: There are a great many answers to questions which the minister, when he is ready, is to bring down.

Mr. MACDONALD (Kingston City): I am going to bring down answers to all which were asked me yesterday, but some of the questions asked this afternoon I am afraid I could not answer to-night.

Mr. MACKENZIE (Vancouver Centre): Is the committee in agreement that we proceed with this at eight o'clock?

Mr. STIRLING: I wish the minister's intimation had been given to us rather earlier, so that we might have got in touch with those who expect the agriculture estimates at eight o'clock; but I do not think we should raise objection under the circumstances.

Item stands.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. MACDONALD (Kingston City): Mr. Chairman, I might be allowed now to put on *Hansard* answers to certain questions which were asked during the course of the discussion on these estimates. The hon. member for Vancouver South asked a question about the defence of the Pacific coast and the fishermen's reserve. I may tell him that the fishermen's reserve is being disbanded as a reserve. Instructions to that effect have been issued. Members of the reserve are now given the opportunity of joining either the Royal Canadian Naval Reserve or the Royal Canadian Naval Volunteer Reserve or of returning to their pursuit of fishing. The fishermen's reserve was organized before the war, I think in 1937 or 1938, for, as I understand, one particular purpose, and that was based on the knowledge which these men had of the coast. They were to serve in their own boats on the west coast. Later I think that term of service was extended to apply to service anywhere in their own boats. The main purpose for which they were organized they have discharged and discharged, I believe, very satisfactorily. They had charge of rounding up the Japanese fishing boats on the British Columbia coast, and they did that, I believe, very successfully, taking into their charge in all some one thousand boats. The situation is different now from what it was in the early days of the war. The menace from Japanese boats on that coast has disappeared. The boats have all been taken. We ourselves have a stronger naval force there than we had in the beginning. In all the circumstances it was felt that the fishermen's reserve might be disbanded, and that has been done.

I should like to say a word of appreciation to these men for what they did and how effectively and loyally they carried out their duties. I understand that some of the fishermen's reserve craft are being returned to their owners, but approximately thirty boats are being retained by the navy, and most of them will be employed on patrol work.

Mr. STIRLING: And paid for on an agreed sum? What about the condition of the boats that have been in service these seven years? Will they be refitted if they are to be in need of refitting?

Mr. MACDONALD (Kingston City): I should assume that would be the case, although I am not quite sure on that point. I should assume that we shall endeavour to refit the boats, but I shall have that point looked into.

Mr. GREEN: Is the minister through with his statement in regard to the fishermen's reserve?

Mr. MACDONALD (Kingston City): Yes, unless my hon. friend wants to amplify it.

Mr. GREEN: Has a provision been made whereby the fishermen will still be considered as a naval reserve of some kind? I think such a reserve would be of great value even in peace time, and if the Japanese were to attempt a raid on the Pacific coast now such a reserve would also be a great help. Would it not be possible to make some provision whereby these fishermen would still be a reserve of the Canadian navy?

Mr. MACDONALD (Kingston City): I do not know that my hon. friend was in at the beginning when I stated that these men who belonged to the fishermen's reserve had the choice of joining the R.C.N.R. or the R.C.N.V.R. or of going back to their regular pursuit of fishing. They can do any one of those three things. The man who goes back to fishing will be out of the navy. The man who stays in the R.C.N.R. or the R.C.N.V.R. will be in the navy.

Mr. NEILL: What will become of the boat of the fisherman who decides to go into the navy?

Mr. MACDONALD (Kingston City): I said that about thirty of those boats are being retained and I assume they would be manned by those members of the reserve who go into the regular navy.

Mr. NEILL: They would still stay on the Pacific coast?

Mr. MACDONALD (Kingston City): Oh, yes.

Mr. GREEN: Personally I regret very much that the force has been disbanded. Would it not be possible to set them up as a reserve similar to the reserve army? In other words, the men might go back to their fishing but still constitute a fishermen's reserve of the Royal Canadian Navy. I suggest that some such arrangement would be very beneficial on the Pacific coast.

Mr. MACDONALD (Kingston City): The navy has no reserve as such in war time similar to the reserve army. I have no doubt that after the war, however, these men would be welcomed in either the naval reserve or the naval volunteer reserve; but to-day every man in the navy is on active service, and consequently I do not see how we can very well begin to set up a reserve force which is not on active service at this time.

Mr. GREEN: I thought that was the position when the fishermen's reserve was first established. If I remember correctly, it was

established before the war. The Minister of Pensions and National Health can correct me if I am wrong.

Mr. MACDONALD (Kingston City): Yes.

Mr. GREEN: Why could these fishermen not revert to the same status; in other words, why could we not have a fishermen's reserve? There is not one on the Atlantic coast, I know. But on the west coast they would serve a very useful purpose.

Mr. MACDONALD (Kingston City): As I have intimated, the great purpose—I am given to understand so by the personnel officers of my department—in forming the fishermen's reserve was that which they have already carried out. My hon. friend will understand that their boats are small. They are fishing boats. They are really not combat boats but they are very useful for patrol purposes. These men know the British Columbia coast. They were able, consequently, to seize many of those Japanese boats which were on the coast at the outbreak of war with Japan. I believe that was one of the greatest purposes in having them formed, to deal with any danger which might arise from the outbreak of war with Japan. They discharged that duty. They did seize a thousand Japanese boats, acquired them, rounded them up.

Mr. GREEN: That was all done in a few days.

Mr. MACDONALD (Kingston City): I know, but if these men had not been there some of those boats might have been prowling around for months. The fishermen's reserve knew where to go to get the boats and they got them. The danger from Japanese coastal boats operating to-day has now disappeared through the efforts of these men.

Mr. GREEN: It disappeared right after Japan struck.

Mr. MACDONALD (Kingston City): Yes, it disappeared, and therefore the need for continuing the reserve did not appear to the officers of the department to be as great as it used to be, and the course which I have outlined was decided upon and is now being carried out. The terms of their enlistment were limited. At first the terms were that they would be used only on the west coast and only in their own boats. That was later extended to a provision that they would go anywhere, provided they went in their own boats. That is not full active service as we understand it in the navy. Consequently it was considered better at this time to make a clear demarcation and say to them "If you wish to go fishing, you may do so Fishing is a very important industry, and you may return to it; or if you prefer you may remain in the navy." That is the choice we have given them, and they are now acting according to their own desires.

Mr. GREEN: I would ask the minister to give some further consideration to the whole question. On the Pacific coast the army has units known as the Pacific coast militia rangers, whose work is really reconnaissance the same as the work of the fishermen. The rangers are still carrying on, and doing very good work; and I think some similar scheme could be worked out for the fishermen.

Mr. MACDONALD (Kingston City): I shall be very glad to consider that.

Mr. REID: I think a little more should be said on behalf of the fishermen's reserve, in support of the remarks of the hon. member for Vancouver South. I would say that the fishermen's reserve did much more work on the Pacific coast than merely taking in the Japanese boats.

Mr. GREEN: Very much more.

Mr. REID: It is all very well to look at the situation now, but remember what we were faced with in 1939, 1940 and 1941. No one knew what the Japanese would do, and these fishermen performed a splendid service. I believe more should be said about them. I will say this to the minister. I have discussed this matter with men in the fishermen's reserve, and they say, "There is no use in our attempting to go into the navy, because we have not been to college. If we do join the navy we are looked down upon by the naval man who has been at college." But they add, "We can take any of the boats and go into any bay in British Columbia, or take it to any town or village on the coast, which these men who have been to college cannot do." Most of the men to whom I have spoken say that there is no use in their going into the navy, and they are going back into industrial life. I rose particularly to tell the minister that these men served a much more useful purpose than merely seizing the Japanese boats. Now these men have been discarded, and I should like to know if they will get any consideration in connection with the granting of pensions. We considered these men extremely valuable two years ago, and we do not know when they may be needed again, because we have very little in the way of a navy on the Pacific coast.

Mr. MACDONALD (Kingston City): My hon. friend must realize that one cannot defend a coast with fishing boats.

Mr. REID: We do not intend to.

Mr. MACDONALD (Kingston City): Then what is the point? The fishermen's reserve performed a very useful service in capturing these Japanese boats and in reconnoitering the bays and harbours along the British Columbia coast; but to say that any such reserve is capable of dealing with anything in the nature of an attack is simply to lose all sense of proportion. They cannot do it, and it was never contemplated that they should do it. It was contemplated that they would do certain reconnaissance work and take over the Japanese fishing boats should any trouble arise with Japan, as trouble did arise; and they performed a very useful and valuable function. As to these men saying that they have no chance in the navy because they are not college men, I cannot understand that attitude. To-day in the Royal Canadian Navy there are a thousand officers from the naval reserve; that is, from the merchant service. How many of those were college men? Very few, I should think; they are practical seamen, but they are holding various positions in the navy from skipper to skipper-lieutenant, to lieutenant, up to lieutenant commander and commander, and some of them have the rank of captain. These men are in very much the same position as members of the fishermen's reserve; they are practical seamen, and one thousand of them have obtained commissioned rank. So that I think it is unfair to assume that because a man does not have a college education he cannot get anywhere in the navy.

Mr. REID: How many from the fishermen's reserve have joined the navy?

Mr. MACDONALD (Kingston City): I can give my hon. friend that figure.

Mr. ISNOR: Many hon. members have already paid tribute in glowing terms to the minister, the officers and men of the Royal Canadian Navy and the officials of the Department of National Defence for Naval Services. I have in mind particularly the contribution that has been made by hon. members from Nova Scotia. The hon. member for Queens-Lunenburg referred to the splendid facilities at Deep Brook, if not the largest, one of the largest, training centres in the British empire. The hon. member for Shelburne-Yarmouth-Clare referred to the naval repair facilities, and expressed the hope that in the post-war period these shipyard facilities would continue to operate as they are doing at the present time. Then my colleague from Halifax referred to our city, dealing more particularly with housing and other related conditions as applied to the naval service. I should like to support the remarks of my colleague from Halifax, and ask the minister to give these matters his most favourable attention. Having been premier of Nova Scotia for many years, the minister is familiar with conditions not only in the city of Halifax but throughout the province. He knows it is necessary to prepare post-war plans that will keep Nova Scotia in its present favourable position, if we are to satisfy the fishermen and other elements in that province. A great many men of Nova Scotia have entered the naval service; in fact it is well known that there has always been a waiting list of men desiring to join the navy, particularly from the fishing districts, where the young men are very anxious to take part in the activities of the naval service.

My colleague made a very strong case on behalf of the port of Halifax. We all remember that in the last war Halifax played a very important part in connection with the handling of munitions, the assembling of convoys and the transportation of troops from Canada to England, and it has played an equally important part in this war. Our thought in Nova Scotia, and perhaps more particularly in Halifax, has been expressed by the hon. member for Cumberland; that is, we do not want to be forgotten when the war is over. We want Halifax to continue to be the main artery for goods entering and leaving Canada from and to overseas. We believe the eastern ports should be used to their full capacity in connection with overseas trade. In the past we have seen shipments of grain, cattle and other supplies sent through United States ports because it is alleged that the shorter rail haul to those ports makes it more economical to ship that way. I trust that the minister, with his knowledge of the requirements of Nova Scotia, realizing the important part that Halifax has played in the war effort, will not permit that condition to exist following this war, when victory will have crowned the efforts of the united nations.

I should like to endorse the very fine tributes that have been paid to the activities of the Royal Canadian Navy. I do not propose at this late hour to make any extended remarks in that connection, but there are one or two items I wish to bring to the attention of the minister. While we in Nova Scotia, each and every one of us, as has been stated by other hon. members, place the winning of the war as first and foremost in our thoughts, we do feel that members of this committee should give some thought to post-war plans. We consider that these plans are necessary in the far east coast perhaps to a greater extent

than in central Canada. There are in this section of Canada industrial activities which will carry on for many years, probably for fifteen or twenty or more years, but we in the extreme east—and I believe the same applies to the extreme west—have not enjoyed that development to the same extent. I say we must make plans which will include all parts of Canada and more particularly have I in mind my native province of Nova Scotia.

No one can say how soon or how suddenly this war may end. It is anyone's guess as to just how long or how brief a time may pass before victory will be ours. No one can foretell. But one thing is sure, namely, that we cannot begin too early to plan for the post-war period. Long before the ink is dry on the peace treaty we must be ready to deal with the problems of peace. It is because of that I place before the minister the necessity of carrying on shipbuilding, and more particularly ship repairing in Nova Scotia.

My main thought in rising to take part in the debate is to deal with activities which will come directly under the item before the committee. I refer to the work carried on by the smaller craft. Other hon. members have spoken about the great work of the destroyers and the corvettes. I have in mind particularly the work being done at the port of Halifax and along the shore by smaller craft such as auxiliary vessels, armed yachts, Fairmiles and mine-sweepers.

I pause to speak about mine-sweepers. If any hon. member were to visit the city of Halifax or the town of Dartmouth early in the morning at any time of the year, perhaps as early as five o'clock, and in any kind of weather—possibly a stormy winter morning—he would see mine-sweepers nosing out toward the head of the harbour. There the mine-sweepers clear the path for the convoys. The minister outlined in detail what took place off the head of Halifax harbour last June when a large number of mines—I do not care to mention the number, because the minister did not do so—were sown in the path of the outgoing ships. It is this type of work, carried on by the men who serve on these mine-sweepers, that has made possible for us the shipping overseas of great cargoes with a minimum of loss, so that our men over there may be fed, so that supplies may go to England, and munitions be supplied to our troops, who are helping to fight the battle for freedom.

Therefore I say that Halifax, and the men who serve in that port, have played a very important part in this war. I pay my tribute to those men who daily face hardships in their task of keeping clear and making safe the passage to and from the port of Halifax.

I hold in my hand a booklet in which appear views of Halifax harbour, depicting more particularly some of the large ships which sail into that port, unassisted, without the use of tugs. To illustrate that, one need only think of the *Empress of Britain,* a ship of 42,348 tons, sailing in, without tugs towing her, as it did in June, 1939, when carrying the King and Queen. She made a complete turn in our harbour and sailed out to sea. Remembering that, hon. members will have some idea of the type of harbour we have in the extreme east at the Atlantic coast port of Halifax.

I listened with interest and attention to the hon. member for Vancouver South and the hon. member for Victoria, British Columbia, tell us about the harbours on the Pacific coast. I do not wish to make any attempt to detract from Vancouver harbour, or any other harbour on the west coast; but I do point out that at Halifax we have one of the grandest, finest and most natural harbours in the world to-day.

I refer now to the second picture in this booklet, showing three large liners.

An hon. MEMBER: What about Saint John.

Mr. ISNOR: What about Saint John? I hesitate to make a comparison betwen Saint John and Halifax. One who knows the real facts seldom does. I am reminded of a story I heard some years ago about a number of visitors who were spending some time in Saint John—and I hope the hon. member for Royal will not take exception to the story. These visitors who were in Saint John one evening were wondering what they might do to fill in an hour's time. One of them had a bright idea, and said, "Let us go down, wait around and see the tide come in." We have no tides in Halifax harbour, so that we do not have to wait for them. We have no ice there in the winter. It is a port which can be used 365 days in the year. Ships sail in at all times, without the least trouble so far as tides are concerned. Not a single dollar has been spent on dredging in that port as long as I can remember—and I am getting up in years. To my knowledge, for at least thirty-five or forty years, not one dollar has been spent for that reason. So that the excellence of our harbour, for the use not only of our own Royal Canadian Navy, but of those of allied nations, must be apparent to all.

May I refer again to the service being rendered by the men who sail on small craft. The night of Wednesday, February 24, was exceptionally stormy at Halifax. Eighteen inches of snow fell that night, and the velocity of the wind was said to be fifty miles an hour. Had any of you hon. gentlemen been at

Halifax on that night, with your coat collars turned up, your gloves on, wearing your overshoes, and with your hat pulled down over your ears, you would have still felt the effect of the wind. I wonder if you can visualize these small craft sent out that night to carry on patrol work. Would the minister give this matter some thought? Would he consider whether it is necessary to send out the small Fairmile craft on such stormy nights? I realize fully that the work must be done, but I am just a little concerned as to whether it is altogether necessary to send out these small boats on nights such as I have described.

I bring this matter to the attention of the minister because of a front-page article which appeared in one of the Halifax papers at that time. Quite naturally the article states:

> Six tiny Fairmile launches push their sleek noses into the teeth of the worst maritime blizzard in years, February 24, on sudden orders to supply patrol protection, presumably for a convoy.

There is another type of man in whom I am interested, the man who is wounded or who, because of the type of service he has rendered, is not able to continue in active duty. I do not desire to take up much time in discussing this matter. When I was in Halifax a short time ago I visited the military hospital. I saw one man who had been returned from overseas with twelve wounds in his arms and head. I saw another Halifax man who, I regret to say, is not likely ever to leave that hospital. Many of these men require rest, and it is to them I direct the attention of the minister. A man may have served his country well overseas, or in the navy on shore patrol or on the high seas. At times he requires rest, and I suggest to the minister that there should be a rest or convalescent home in Nova Scotia situated close to Halifax where these men could regain their health in order to be able once more to take up their dangerous tasks. I have no particular place in mind and I know the minister is familiar with the beauty spots along our rugged shore. There are a number of places, such as beautiful St. Margaret or Queensland or Hubbard or many other such places. Any one of those would be an ideal place in which to locate a rest home such as I have in mind. Not only would such a home serve the navy, but it could be used to bring others back to a normal state of health. When you have something good to sell, you have a fairly easy task; when you have something nice to talk about, you can go on for any length of time, but I shall not say anything further about the port of Halifax. I do hope the minister will give consideration to this suggestion of having a convalescent home close to the naval base of Halifax.

Mr. McGARRY: I should like to say just a word on this matter. It was my intention to make some complimentary references to the port of Halifax. The senior hon. member for Halifax has said quite a bit about that port, and since the rules of the house will not permit needless repetition there is perhaps nothing more I can say on that subject at this time. The eloquent and informative address made by the minister when introducing his estimates outlined an amazing achievement. The lucid outline of the growth of our navy, the wonderful service it has performed in this global war and the bravery of our boys who man our ships is a story that should incite pardonable pride in the hearts of all Canadians. It is only another instance of what a resourceful country with a patriotic people can achieve in cooperation with a ministry well manned, well planned and possessing the wisdom to select the executive and key men capable of initiating, developing and bringing to a successful conclusion the most amazing job that has been done by our navy.

I am sure we were all pleased and encouraged with the prospectus of the future submitted by the minister. I think from what he said we can hope that our navy will be maintained at sufficient strength to keep our sea lanes open and to protect and give freedom of the seas to our merchant marine which we expect to be plying the seven seas, carrying to other countries those commodities which they need and which they cannot produce and returning to Canada laden with the products of those countries. If it is the hope of our government that our navy is to be kept to that strength; if our merchant marine is to be maintained, then may we hope that the means of repairing and rebuilding these ships will also be maintained. When the time of peace comes and when rehabilitation is taking place in every phase of the life of this country, if shipyards are found to be necessary; if naval bases are found to be necessary, we hope that they will be maintained in the locations they now occupy and that we shall not be subjected to a programme of centralization which would destroy rather than enhance our prospects so far as our commercial life is concerned.

Mr. MAYHEW: I am not rising to extol the virtues of Esquimalt harbour; I rise to pay a just compliment to the fishermen's reserve and the Vancouver island motor-boat squadron which served us so faithfully in British Columbia, particularly on Vancouver island, at a time when we were a little nervous as to what was going to happen. After December, 1942, the Japs began to come closer to our Canadian shores by way of the Aleutian islands.

Many of us were concerned about how far they would come and we were anxious to get all the protection possible, not only from the fishermen in that part of British Columbia but also from the Vancouver island motor-boat squadron. The latter were serving entirely voluntarily. They were prepared to move troops at any time from one part of the island to the other or to evacuate the citizens of the island should that become necessary. I do not think that I as the member for Victoria, B.C., and speaking also for the district of Nanaimo—Captain Chambers is on duty—should let this occasion pass without saying "Thank you" to these people.

Further, I should like publicly to thank the private owners of motor-boats in Seattle. They invited a committee from Vancouver and Victoria to confer with a similar committee in Seattle to discuss the possibility of evacuating the citizens of Vancouver island. At the conclusion of a short meeting they offered to look after all the people on the southern end of the island, leaving the responsibility of the evacuation of the northern end to the Vancouver island motor-boat squadron. I think now is the time, Mr. Chairman, that we should recognize that service.

If the minister feels that the time has come when he can dispense with the services of the fishermen, I think they, too, should be duly thanked. We are, of course, delighted that the building of boats has progressed to such a point that the minister can afford to do that and that the fortunes of war have so changed that the danger is not now so apparent as it was then. I rise on this occasion to thank those three classes of people, the fishermen, the Vancouver island motor-boat squadron, and the private owners of motor-boats in Seattle and northern Washington.

Mr. BROOKS: Mr. Chairman, it is not my intention to make any extended remarks, but I must say I was surprised that the senior hon. member for Halifax (Mr. Isnor) went out of his way a few moments ago to abuse the port of Saint John, New Brunswick. I am sorry that the hon. member who represents Saint John is not here to-night because of illness. I am quite sure that he would have taken up the cudgels on behalf of his native city had he been here.

When I was speaking the other night I mentioned the fact that the ports of Saint John and Halifax should not be forgotten after the war is over. No one recognizes more clearly than I what a splendid asset this country has in the great port of Halifax, but I also recognize, as I am sure do the people of Canada, we have also a splendid port in Saint John, which is to-day and has been for a great many years, one of the great winter ports of this country, and whose worth to the Dominion of Canada cannot be overestimated. In the city of Saint John, as the minister mentioned to-day, we have one of the largest dry docks in existence in the British empire; as a matter of fact, I think it was the largest dry dock in the empire until just a few years ago. In that dry dock during this war a great many naval vessels and a great many merchant ships have been repaired.

I just wanted to take this opportunity, as one who lives in the province of New Brunswick and close to the port of Saint John, to say that we are very proud indeed of the port of Saint John, and also to express the opinion that the Dominion of Canada as a whole owes a great debt to this port, as I think all Canadians whether they come from Halifax or any other part of this country should recognize freely and fully.

Mr. MUTCH: I should like to say, as one coming from the maritime province of Manitoba, that we have been forgotten in that capacity. I wish to join this testimonial meeting to-night with respect to the merits and possibilities for after-the-war development of various parts of this country, to draw again to the attention of the government and of this House of Commons the too often forgotten port of Churchill. Those of us who live in the west and fought for a considerable period of time to have that port established have viewed with some disquietude its almost complete lack of use and the complete lack of consideration for it during the war period, and I am now just giving notice that in the days to come, when our thoughts will be turned more to the internal development of Canada than they are to-day, more will be heard of the port of Churchill and the maritime province of Manitoba.

Mr. FRASER (Peterborough West): I was very glad to hear the hon. members representing Saint John and Halifax speak on behalf of those great ports, and I quite agree with what they said. I think, however, when they were speaking of these great ports, they should have given thanks and praise to the women of the women's naval auxiliaries of Canada for supplying the men who go out on ships from these ports with warm clothing and many other comforts. I think these women deserve a great deal of credit.

Item agreed to.

13. Sundries: postage, pilotage, prize funds and other costs not included in items, $2,748,101.

Mr. MACDONALD (Kingston City): Before we proceed with this item perhaps I

might give the answers to questions that have been asked by various members. To answer, first, questions that were asked with regard to the medical side of the naval service, the figure of 4·9 doctors per thousand personnel which was referred to includes forty doctors who were serving with the British navy and who took no part whatever in caring for Royal Canadian Navy personnel. If you excluded that figure, and it should properly be excluded, the number of medical officers in the Royal Canadian Navy would be four per thousand.

I was also asked how many ships carry medical officers. The number of our ships carrying medical officers is forty-seven.

I was also asked what happened on ships that had no medical officer aboard. In that case, ships of the corvette class, which do not ordinarily carry a medical officer, carry a sick-berth rating. These are ratings specially trained in first aid and the treatment of minor illnesses. Many of them are graduate male nurses. Ships of still smaller types such as motor torpedo-boats and Fairmiles and similar craft usually operate from a base or depot ship where adequate medical facilities exist, so that the need of having somebody skilled in medicine aboard is not so great. In escort or convoy work there is always one and there are usually two medical officers in each group of escort ships, whose services are available to any ship in the group. In addition, ten per cent of the crews of all ships have had instruction in first aid.

I was asked by the hon. member for Yale what steps had been taken to control venereal disease. At the larger bases, venereal disease control officers have been appointed, whose duty it is to check the ravages and the spread of this disease. There is also a veneral disease control officer at naval service headquarters. All medical officers and all commanding officers have been advised as to the most effective measures which can be taken to control the disease. All naval personnel are given lectures from time to time, beginning as soon as they enter the service, on how this disease can be avoided.

My hon. friend the member for Cumberland asked about night vision. I am able to tell him that facilities for testing night vision are available at Cornwallis, at Halifax, Esquimalt and at St. John's, Newfoundland. The majority of officers and ratings of the seaman and signal branch have been tested for night vision, and the testing is still going on as rapidly as conditions permit.

The hon. member for Peterborough West asked as to the number of civilian personnel in Newfoundland. On January 31 of this year we had 253 civilian personnel in Newfoundland. I do not include in that figure hourly-paid workers but just civil servants properly so-called, and they numbered 253.

I was asked by the hon. member for Vancouver South something about the training at Cornwallis and Kings. I was asked to endeavour to find out what the exact percentage of failures was. I think somebody suggested that I take the last ten classes. I have here the total number of naval personnel who were officer candidates at Cornwallis during the period from August 10 to February 8 last. I find that the number of failures is just under thirty-three per cent. That is the number over that period of seven months.

Mr. FRASER (Peterborough West): Was there any month when the failures were extremely high?

Mr. MACDONALD (Kingston City): The numbers vary. Usually these men come up every week before the selection board, and the number who appear before the board varies. Sometimes it is as low as nine; at other times as many as twenty-seven appear in one week, and the number of failures consequently varies. Some weeks it has been two; some weeks, 12; some weeks, four; other weeks, nine, and so on. What particular week had my hon. friend in mind?

Mr. FRASER (Peterborough West): I believe that last night the month of December was mentioned. It was either the latter part of November or the first part of December when, according to these boys, so many of them failed.

Mr. MACDONALD (Kingston City): Yes; in one week of December the percentage was thirty per cent; another week, twenty-seven per cent; another week, thirty per cent; another week, sixty per cent.

Mr. FRASER (Peterborough West): Sixty per cent?

Mr. MACDONALD (Kingston City): Sixty per cent in one week in December, yes.

Mr. FRASER (Peterborough West): Probably that is the week.

Mr. MACDONALD (Kingston City): That may be the particular week, but it is difficult to draw any general conclusions from the figures for one week. I think the best test would be to take the whole period of the operation of the school at Cornwallis, for which, as I say, the number of failures is just about thirty-three per cent.

Mr. FRASER (Peterborough West): I think the reason why these boys brought the matter up is that, on the examination before they tried, there had been very few failures, and then in their week practically all failed.

Mr. MACDONALD (Kingston City): As I say, it varies from time to time. That is the general story so far as Cornwallis is concerned.

I was asked something about the depth of the water at the end of the wharf at Cornwallis. I have not been there for some time, but I am informed that it varies from six to ten feet at the head of the wharf at low water. There is about a 29-foot tide, so that at high water there would be a considerable depth at the end of the pier.

The hon. member for Yale wanted to know about the sea cadet camp at Comox. I understand that that camp will not be used in the coming summer, and that instead, a camp at a place called Whitecliff park, some fifteen miles from Vancouver, will be used by the sea cadets of British Columbia.

Mr. CRUICKSHANK: Where is that?

Mr. MACDONALD (Kingston City): Whitecliff park is near Vancouver. I am told by the sea cadet authorities that this will be one of the best camp locations in all Canada.

Mr. NEILL: Do I understand the minister to say that they are closing down that camp near Comox? If so, can he give us any idea of how much money has been spent in putting that camp there? They put extensive buildings there last year and the year before, and it is a thoroughly equipped camp. After all that expense, what is the idea of shutting it down?

Mr. MACDONALD (Kingston City): As I said last night, the naval service does not provide those camps; they are provided by the Navy League of Canada, or by other non-government bodies. I understand that the site near Comox is being used for other purposes, for training of army personnel, and that that is why the sea cadets cannot use that locality in the coming summer. It is solely a matter for the Navy League. We do not build those camps or pay for them.

Mr. NEILL: The navy use the Comox one anyway. They used it all summer.

Mr. MACDONALD (Kingston City): The sea cadets.

Mr. CRUICKSHANK: What is Whitecliff camp used for?

Mr. MACDONALD (Kingston City): As a sea cadet camp during the coming summer.

[Mr. A. L. Macdonald.]

Mr. CRUICKSHANK: Might I ask on whose recommendation that is to be used, and who owns it now?

Mr. MACDONALD (Kingston City): As I said, I have no particular reason for giving this information, because the matter does not come under my jurisdiction in any way. I have nothing to do with the provision of camps for sea cadets. That is done by the Navy League of Canada mainly, and while I do not know this definitely, I assume that the British Columbia branch of the Navy League are the people who arranged for this site.

I believe the hon. member for Yale also asked how much of our wireless equipment was made in Canada. As far as we can estimate up to date, Canada supplied 47·6 per cent; the United States, 33·2 per cent, and the United Kingdom, 19·2 per cent.

The hon. member for Cumberland asked about the cost of repairs to ships. I told him it would take some time to get the individual cost of each ship or of any particular ship, and that it would be very difficult to separate repairs from alterations and additions, which, strictly speaking, are not repairs at all but which are usually carried on at the same time as repairs. The total cost of repairing corvettes during the year was $3,984,000; that is an average of roughly $50,000 per ship. The average cost of repairs, alterations and additions to destroyers was in the neighbourhood of $170,000 per ship. The cost for minesweepers was about $25,000 per ship.

The hon. member for Camrose asked about office machines. We estimate that for the present fiscal year the cost of all rentals of that kind will be about $10,500. That includes every type of office machine—duplicators, adding machines and so on.

Mr. CRUICKSHANK: I asked the minister last night in connection wtih the barracks at Aldergrove; and I should like also to ask who recommended Whitecliff.

Mr. MACDONALD (Kingston City): I am telling my hon. friend that he knows as much about that as I do.

Mr. CRUICKSHANK: No, I do not.

Mr. MACDONALD (Kingston City): Well, I know nothing about it. I went out of my way to get information about the sea cadets, but I do not select camps for the sea cadets, nor do I pay for the construction of camps. We cooperate with the Navy League of Canada, which has general supervision over sea cadets, to this extent, that we send some officers there to supervise the training. But we have nothing whatever to do with selecting

the site, building the camp, or paying for it. That is done by the Navy League and I should assume that in this case it was dealt with by the British Columbia branch of the league.

Mr. CRUICKSHANK: I asked a question yesterday in connection with the barracks at Aldergrove. First of all, may I thank the minister for his revelation. I should like him to give me a reply to my question of yesterday.

Mr. MACDONALD (Kingston City): The matter about which the hon. member for Fraser Valley inquired may be answered in this way: There are two stations in the locality, one a receiving station and the other a sending station. I do not know a great deal about the technical side of this, but I am informed that the stations have to be some distance apart for technical reasons. Consequently in this case they are some fifteen miles apart. Both stations will be completed shortly. The permanent accommodation for the personnel is being provided at one station only, which will take care of about fifty persons, two officers and a little over forty men, but it will be all at one place. The men who go from one station to the other will be transported by panel truck and they will be returned to their barracks at night.

Mr. CRUICKSHANK: It will be a permanent barracks?

Mr. MACDONALD (Kingston City): I do not know that it will be permanent, but it will be good for the war at any rate.

Mr. GILLIS: In the course of my remarks on the minister's estimates I endeavoured to focus his attention on the position of medical doctors in the merchant navy. Has the minister done any thinking about that? While he correctly points out that his department has no jurisdiction over the merchant marine, that it comes under the Department of Transport, yet the port medical examining officers of the merchant navy are called up. The Department of Transport has no power to call up men; therefore some defence department institutes the call in the first instance.

Mr. MACDONALD (Kingston City): Not the navy. I may tell my hon. friend that we do not call anybody up. It must be selective service.

Mr. GILLIS: It is pretty much the one organization.

Mr. MACDONALD (Kingston City): No.

Mr. GILLIS: The naval examining board has the say as to who is accepted. Selective service is merely one of the cogs in the machine.

Mr. MACDONALD (Kingston City). Oh, no.

Mr. GILLIS: What I am trying to do is to point out the injustice that is done to the medical officer who is obliged to accept a position—and it is a very important one—in one of our ports across Canada, without the right to wear a uniform, with a great differential in income, without any assignment of pay to his family. Many of these men are of military age and desire transfer to one of the other branches of the service; but they are denied that right. I am wondering what the attitude of the department is with respect to correcting what I consider to be a great injustice to that particular classification. I mentioned it a few days ago. The minister in the course of his remarks pointed out, and, as I said, correctly, that his department had no jurisdiction over the merchant marine. I think someone should accept responsibility for that situation. These men are doing a very important job. They are on call at all hours of the night. This particular matter more properly belongs to the naval department. It is a job that requires a qualified medical practitioner. He is requisitioned for service. I think he should have all of the rights and privileges that go to those in the service, because he has no choice as to what he shall do.

Mr. MACDONALD (Kingston City): May I ask my hon. friend a question? Is he sure that those doctors are called up by some department of government and compulsorily assigned to these posts? I do not know of any doctors being called up in this country up to the present. There may be, but I thought the medical doctors had an association or branch called the medical procurement and assignment board that looked after all that, looked after the rights of all doctors. It is rather a surprise to hear that doctors have been called up under some compulsory arrangement and made to serve at ports, as my hon. friend describes.

Mr. GILLIS: I am not any more sure of the mechanics than the minister is. I am mentioning the possibilities and I think the minister should know.

Mr. MACDONALD (Kingston City): Why should I? I have nothing whatever to do with the doctors. I am not the Minister of Transport, the Minister of Pensions and National Health or the Minister of Labour. I am trying to run one department. I am not trying to run five or six. I have no more to do with that than I have to do with the call-up of men under the National Resources Mobilization Act.

Mr. GILLIS: Every port in Canada is under the jurisdiction of the navy to-day.

Mr. MACDONALD (Kingston City): Not in that respect.

Mr. GILLIS: A naval commander is in charge of each port. I consider and will hold responsible the Department of National Defence for Naval Services for any matter that occurs in or around those ports.

Mr. CHAIRMAN: Order. I believe the minister has answered the question.

Mr. GILLIS: He has not answered the question.

Mr. CHAIRMAN: I believe it is out of order to discuss this question under item 13. I believe it is the duty of the hon. member to speak on the item now under discussion. The minister has given an answer to the questions that come within the confines of his department.

Mr. GILLIS: A few minutes ago the minister undertook to change the order of business in order to answer questions that had been asked previously. The question I am now discussing is one that I asked on a previous occasion. I want an answer to it.

Mr. MACDONALD (Kingston City): Will my hon. friend state his question then?

Mr. GILLIS: My question was stated clearly. I wish to know the attitude of the Department of National Defence for Naval Services with respect to correcting what I consider to be a great injustice to medical men serving as examining officers at the different ports across Canada. These men are classified as serving with the merchant marine.

Mr. MACKENZIE (Vancouver Centre): What is the injustice?

Mr. GILLIS: They are obliged to serve without uniform and without the regular pay and allowances that men in the naval services receive. They are not granted the right of transfer. The minister asked me if I knew what the mechanics were. I know this much about it. I discussed the matter with one doctor, a man of about thirty-five years of age. He tried in every way he could to transfer to one of the other services and was not able to do so. That man would not be in that position voluntarily. I assume that the medical procurement board must have assigned him to that position.

Mr. MACDONALD (Kingston City): My hon. friend is stating a totally different proposition now. He began by indicating that this was my responsibility. I suspect that my hon. friend has not the facts of his case correctly. I am not talking about the mechanics or anything of that sort. I am asking if he is sure that certain medical doctors in this country are taken by some government department and placed in a position in which they do not want to serve. If they are, this is the first I have ever heard of it and I do not think it is so. I do not think my hon. friend has the facts. This man may be employed by the Department of Transport or by the immigration branch or by the Department of Pensions and National Health; I do not know. There is no compulsion about those departments, as I understand it; none at all.

Mr. GILLIS: My argument is that these doctors should be given the same rights as the medical doctors in the navy. If the Department of Pensions and National Health is employing them I am very much surprised.

Mr. MACKENZIE (Vancouver Centre): I am sorry to intervene in this argument. We have several doctors in the various ports of Canada who are employed mostly for the inspection of sick personnel on ships that come into the harbours. We have tenders, launches. We go out and inspect the ship and we provide hospitalization for the personnel on the ship through our doctors. There is no compulsion whatsoever, so far as I am aware.

Mr. DONNELLY: These men are civil servants?

Mr. MACKENZIE (Vancouver Centre): Yes.

Mr. CRUICKSHANK: I should like to ask another question. To the minister's knowledge has any of the cost in connection with Whitecliff been charged the federal government?

Mr. MACDONALD (Kingston City): I know nothing of any cost. I did not know of the name Whitecliff until I received a memorandum a few moments ago saying that this was to be the site of that camp. So far as I know there is no cost to this department or this government.

Mr. CASTLEDEN: I have been looking through the list as we have gone along, to see if I could get the figures in regard to the cost of maintaining the Wrens; that is, the women's auxiliary of the naval force. Has the minister the cost of establishing and maintaining the Wrens, as separate from the navy itself? While he is answering that, would he inform the committee whether it is the intention of the department to maintain the Wrens as part of the permanent naval service.

Mr. MACDONALD (Kingston City): As to the first question, I have no separate figures for the cost of the women's division, and I am afraid it would take some considerable time to get them. In a place like Halifax,

for example, the cost of food for the Wrens and the cost of food for the male personnel would come under one item, but I could make a fairly accurate shot at it. As to the second question, whether it is intended to maintain these services after the war, there has been no decision on that point. I should suppose that the Wrens and the other women's services are pretty much war-time institutions, and that they would likely be disbanded at the end of the war.

Mr. CASTLEDEN: At some future time would the minister give us some estimate of the cost of establishing and maintaining the Wrens to date?

Mr. MACDONALD (Kingston City): That would be the cost of pay, clothing, food, and all allowances for the women's service?

Mr. CASTLEDEN: Yes. There is also the cost of establishing the whole Wren arm, the barracks, and so on.

Mr. MACDONALD (Kingston City): Yes, I will try to get that, but it will take a little time.

Mr. CASTLEDEN: Then perhaps the minister will take this as notice of the question.

Mr. MACDONALD (Kingston City): Very well.

Mr. GILLIS: I should like the minister to clarify certain naval personnel set out as T124X. The wives of men in this classification do not receive dependents' allowance, and I am at a loss to understand just what that means.

Mr. MACDONALD (Kingston City): That is a Royal Navy term. These men are taken out of the merchant service and used on certain naval vessels; I think it is a temporary arrangement. They are called T124X, but they are Royal Navy.

Mr. CRUICKSHANK: Would the minister tell me under what item I can get some information in connection with what I think are called baby carriers; I am very much interested in those.

Mr. MACDONALD (Kingston City): Aircraft carriers?

Mr. CRUICKSHANK: Yes, small ones, that were remodeled in Vancouver. Under what department would that come?

Mr. MACDONALD (Kingston City): We do not own any of those carriers in the Canadian navy. I think that would properly come under Munitions and Supply. Some of those carriers were taken to the west coast of Canada, where certain alterations were made in them. That was done for the British navy, not for the Canadian navy.

Mr. CRUICKSHANK: Then with whom should I take that up?

Mr. MACDONALD (Kingston City): Munitions and Supply would have the information; they carried on the work.

Mr. GILLIS: I am still wondering about the personnel to whom I referred a moment ago. Could the minister explain why these men are not entitled to dependents' allowance for their wives?

Mr. MACDONALD (Kingston City): I am sorry, but since they are not Canadian naval personnel I cannot give my hon. friend that information. He would have to take up the matter with some of the Royal Navy people here, I am afraid; some of them probably could tell him.

Mr. GILLIS: They are Canadian nationals attached to the Royal Navy, but according to a letter I have received they are not given the Royal Navy marriage allowance.

Mr. MACDONALD (Kingston City): If I had the letter I would be glad to look into the matter, though if they were Canadians who joined the Royal Navy directly, without going through the Canadian navy, they would be out of my control and I would have no record of them. If my hon. friend would send me the letter I should be glad to look into the matter and try to get the information for him either from our own service or from some of the British naval officers here in Ottawa.

Mr. GILLIS: I have had it up with the British people, but I did not get much satisfaction.

Mr. FAIR: Under item 13 what is meant by "prize funds"?

Mr. MACDONALD (Kingston City): That is a small amount to provide prizes for proficiency in gunnery, torpedo work, rifle work, pistol shooting and so on. I think the amount is only about $2,000 under that item.

Mr. CRUICKSHANK: Would the minister tell me with what department I should take up matters in connection with the merchant marine?

Mr. MACDONALD (Kingston City): That would be the Department of Transport, in which there is a director of merchant seamen, Mr. Arthur Randles, who is in charge of all merchant seamen in the country.

Mr. CRUICKSHANK: I appreciate the minister's answer; I am not trying to hold up his estimates, but I want this information for my constituents. He tells me that I should take it up with—

Mr. MACDONALD (Kingston City): With Mr. Arthur Randles, director of merchant seamen, care of the Department of Transport.

Item agreed to.

Progress reported.

SUPPLY

The house in committee of supply, Mr. Bradette in the chair.

DEPARTMENT OF AGRICULTURE

Science service—

8. Botany and plant pathology, $328,101.

Mr. DOUGLAS (Weyburn): The other evening, when the minister's estimates were before the committee, I asked what progress was being made in the experiments with the Russian dandelion, from which the Russians are apparently extracting synthetic rubber with some degree of success. I notice, from page 20 of the minister's report, that some experimentation has been going on. Would he care to avail himself of this opportunity to tell, first of all, what progress has been made, and second, what plans his department has for a more extensive use of this Russian dandelion, with a view to using it for the production of synthetic rubber?

Hon. J. G. GARDINER (Minister of Agriculture): As I said the other night, the experiments being carried on in connection with dandelions are being carried on at the experimental farms. I would ask the hon. member to withhold his questions until we reach the experimental farm vote, which is only two or three down the list.

Mr. DOUGLAS (Weyburn): Except that the minister, himself, discussed it in his report for the year ended March 31, 1943. At page 20 the minister devotes almost a whole page to a discussion of the different developments respecting a substitute for rubber, and one for kapok.

Mr. GARDINER: The only thing I can say is that my hon. friend apparently has read the report, and he has read all I can give him about it. I have in my hand some material which I can read, if it is thought desirable.

Mr. JOHNSTON (Bow River): Is it not true that these dandelions are being raised on farms, in addition to the experimental farms?

[Mr. A. L. Macdonald.]

Mr. GARDINER: I understand they are not; in any event, any information we have with regard to them is gained from the growing of them on the experimental farms. If there is any seed out anywhere it will be as a result of the farm activities. I can give that information much better when we get to the item for experimental farms.

Mr. DOUGLAS (Weyburn): I had in mind what appears in the minister's report, and I thought he might be able to tell us the result of the experiments carried on under this item respecting botany and plant pathology. The hon. member for Mackenzie points out to me that the report ends March 31, 1943, almost a year ago. I would imagine that the department would have gained some further information, first as to the percentage of latex they are getting from this dandelion plant—if I remember correctly the Russian scientists found they were getting about twenty per cent latex. What success have we had with those experiments? Second, does the government plan to make seed available in any large quantities to farmers, or to set up any facilities for the use of latex, when produced for the manufacture of finished rubber products?

Mr. GARDINER: The research in this connection is continuing at the present time. Returns obtained are all the way from three per cent to ten per cent. But the experiments have not gone sufficiently far for us to be able to give final information with regard to it. Again I say that this matter can be discussed much more readily and to much better satisfaction when I have before me the officials who are directing those experiments on the farms. Some of the work, naturally, is being done by research people, and some is being done by our own chemists, in connection with examinations into the results from certain plants. But the experimental work is being done on the experimental farms, and when the time comes to distribute the seed they will be the agencies which will make that distribution, just as they make it in connection with wheat, and every other product.

Mr. DOUGLAS (Weyburn): If the minister prefers to leave it to the experimental farm item, I shall have no objection, except that we would not want to be shut off when we reach that item.

Mr. GARDINER: No, the discussion will not be shut off. We shall discuss it fully.

Mr. DOUGLAS (Weyburn): Will the minister, under the item for plant pathology, make a statement about the research carried on by his chemists and plant pathologists with regard

to flax rust. The minister will remember that last year, particularly in Saskatchewan, almost all varieties of flax, with the exception of royal flax, were badly affected with rust. The royal variety seemed to be more rust-resistant than the others. A good many thousands of acres of flax were almost competely destroyed by the rust. I believe it is the first time in my experience in Canada that I have ever seen flax rust. I remember the minister saying last year that some experiments were being carried on with a view to dealing with it.

Mr. GARDINER: I am sorry to have to say again that that is experimental farm work, and that it is being carried on there. There was considerable rust on flax last year; that is, in 1942. In 1943 I do not think the rust did the same damage. Of course the reason for the difference in the amount of rust lies in the type of season. There was more moisture in 1942 than in 1943, and the more moisture there is, the more rust of all kinds will be found. But again, I could discuss this item to better advantage when the experimental farm item is before the committee.

Mr. CASTLEDEN: I understand that experiments have been carried on in connection with finding a substitute for kapok. What success has there been in that connection? At the same time he might tell the committee what success we have had in Canada with regard to raising medicinal plants, such as digitalis, belladonna and henbane? What has the department been able to do in connection with supplying Canada with medicinal plants of that kind?

Mr. GARDINER: The only information we have, in addition to what appears in the report which, I would judge, hon. members have been reading, is a statement to the effect that, in connection with kapok, in 1942 large quantities of milkweed floss and cat-tail floss were collected for tests being carried out in a search for a substitute for kapok, in cooperation with the national research council and the Royal Canadian Navy. It was shown that floss has a high value for the purpose for which it is being used.

With regard to the other matter in connection with medicinal plants, the division provides information on medicinal and related plants from many sources from coast to coast. On account of a war-time shortage of drugs and the closing-off of some sources of supply, attention has been given to possible production in Canada. Experimental work has been initiated to provide necessary information. Close contacts have been maintained with the ministries of agriculture and health in the United Kingdom, the Departments of Trade and Commerce and Pensions and National Health, the medicinal plants committee of British Columbia, and manufacturing chemists. Considerable quantites of digitalis, belladonna and henbane have been grown to increase the available seed supplies. Most of that work is being carried on in British Columbia.

Mr. CASTLEDEN: Has the minister the figures as to the actual supply obtained in 1943?

Mr. GARDINER: No; we have no figures with regard to that. It is practically all being carried on in cooperation with the department of agriculture of British Columbia.

Mr. MARSHALL: During the last two years there has been a considerable increase in this item. Last year there was an increase of $25,938 and this year there is an increase of $15,581, approximately $45,000 for the two years. Such an increase requires an explanation and I should like to have it from the minister.

Mr. GARDINER: The total increase is $15,581, and of this $15,015 is for increases in temporary pay. The cost of living bonus and other items amount to $4,493. Miscellaneous items amount to $293. Then there is a decrease in the payments to the permanent staff amounting to $4,195 and a decrease in rents of $95. When these two are balanced we get a net increase of $15,581.

Mr. DOUGLAS (Weyburn): Is that for extra temporary help taken on or increases in pay for the present temporary staff?

Mr. GARDINER: Part of it is for extra help taken on and part is to cover statutory increases in pay.

Mr. MARSHALL: What type of work is the minister contemplating to warrant an increase of $15,000?

Mr. GARDINER: It should be remembered that in connection with the civil service the term "temporary" is not used in the sense one would expect it to be. For example, in Saskatchewan, where I had some experience, a person went on the temporary list for six months. If he were kept on for six months, he became permanent. In the dominion service a person may be temporary for twenty years, or even fifty years as my colleague suggests. These temporary people may have been on the staff for a considerable length of time and they get their increases as we go along. Much of this increase is to cover increases in pay of a very considerable staff which has been on from year to year.

Mr. PERLEY: Perhaps the minister could explain these increases a little more fully. The details of these three items are given on pages 57, 58 and 59 of the estimates. According to these particulars the increases in travelling expenses would seem to account for more than half the increases in the items. In one item there is an increase of $500, and in the item covering entomology there is an increase of over $9,000. In the item covering plant protection there is an increase of $2,000 for travelling expenses. These increases in travelling expenses amount to about $12,000.

Mr. GARDINER: The greater part of the increases in travelling expenses are brought about by our having to drive old cars. These cars are getting older and older and we have to drive them greater distances. The result is the repairs bills are higher and these bills appear under travelling expenses.

Mr. PERLEY: Why should they be so much in connection with entomology? Could not two or three of these branches use the same car, such as botany and plant pathology, entomology and plant protection?

Mr. GARDINER: We have not reached entomology as yet and I would rather discuss that matter when we get to it.

Mr. DONNELLY: Has the department had any success in discovering a wheat that will resist the sawfly?

Mr. GARDINER: There have been no notable results as yet that would be of any use to any one. Studies are being carried on in connection with the campaign against the sawfly, but as yet nothing has been discovered that will help us.

Mr. NICHOLSON: I am not going to complain about the minister spending too much; I am going to complain about his not spending enough. When we consider what has been done over a period of years by these branches, the small vote being asked for is really quite insignificant. The discovery of rust resistant wheat has meant millions of dollars to the farmers of this country; yet the salaries being paid to some of the scientists at work in our laboratories reflects no credit upon the department or the country. When the minister's estimates were before us the other night I complained about two veterinaries who were receiving $2,520 a year each. The minister stated that they had been with the department for fifteen or twenty years. These men had a college training which cost nearly as much as the training required by a medical doctor.

I have a list taken from the public accounts of the personnel in this botany and plant pathology branch who are receiving over $2,400. There are forty-three in the list, but only two receive more than $4,000 a year. Sixteen receive over $3,000, but the great number run $2,400, $2,700, $2,800, and so on. I see the names of some of my classmates in university twenty years ago. These were among the brightest and most promising students in the university. Many of them went to the United States to take post-graduate courses and had a remarkable sense of loyalty when they returned to this country to start in at a salary of $2,000 a year. Now, after nearly twenty years of service some of these men receive salaries below $3,000.

It has been suggested that under a Cooperative Commonwealth Federation government there would be regimentation and no rewards for private initiative. Some of the brighest students in the university of Saskatchewan have turned down offers from private industry and are now working for $2,400 a year. Many of them would have been receiving $10,000 had they remained in the United States. It is not good enough for the Minister of Agriculture to say that because farm products have been selling at low prices the people who are doing research work should be poorly paid. If that is a sound principle, then I suggest that we carry it out in regard to the minister himself. If, when butter is selling at ten cents a pound and eggs at three cents a dozen, the Minister of Agriculture is paid in butter and eggs, then I think we shall quickly have some adjustment in the machinery that determines what returns should come to our farming people.

These scientific people are paid either too much or too little, and in my opinion it is too little. If they had been paid more I feel sure that there would have been better morale among the large staff of the Department of Agriculture and we would have had better leadership from this department during the times when everyone was facing such a difficult situation. Could the minister give the committee any information as to the possibility of these people in his department who are in the $2,400 salary range being able to look forward to getting enough to permit them to own homes in Ottawa or to be able to rent suitable quarters? The cost of living in the capital city of the country is very high, and I do not see how the department can hold at these salaries honour graduates and those who have taken post-graduate courses in United States universities. What are the prospects of having the salaries increased and having promotions made to higher positions?

Mr. GARDINER: On the general question as to why our expenditures are as low as they are in the different branches, I call attention

to the fact that in 1940 the appropriations were $13,000,000 for ordinary expenditures in this department. That had decreased to $9,000,000 in 1941 and to $8,887,000 in 1942, and in 1943 the figure was $8,996,000. The only reason for the decreased appropriations is the fact that we are at war, and after we had entered the war our expenditures were reduced. In 1940 the expenditure was, in round figures, $11,800,000; in 1941, $8,500,000; in 1942, $8,400,000, and in 1943, $8,492,000. The figure in the estimates this year for ordinary expenditure is $9,296,000, which is a little higher than it has been for the last two years. As I have said, the only reason for the expenditure being down is the fact that we are at war, and we have not yet got back to the level that prevailed before the war. But if you go back a few more years to the time when I first became Minister of Agriculture in 1935 or 1936, you will find that the estimates were not quite as high then as they are now. They amounted then to between $7,000,000 and $8,000,000; I have not the exact figures before me. We were successful in having the appropriations on ordinary account increased, so that in 1940 they stood at $13,000,000, but since that time we have cut them down because of the war, and I imagine that they will not be greatly increased before the end of the war.

So far as the salaries are concerned, I think every minister in the government believes that his staff is underpaid and from time to time he puts forth an argument in favour of increasing the pay of certain members of his staff. That always results in an examination being made into the salaries paid for comparable positions in other departments. The civil service commission examines into the salaries and classifies the employees of the different departments, and when a man accepts a certain position in the Department of Agriculture or any other department, it does not matter what his university or other qualifications may be, he is paid the salary attached to that particular position. He accepts a position in the civil service in preference to entering the realm of private competition or doing some other work, and he is paid the salary that pertains to his position. The positions are filled as a result of persons making application for vacancies that are advertised by the civil service commission in the press and at post offices throughout the country.

As I said the other night, every employee in a particular branch is a veterinary, and while it is true that two of them are receiving $2,400 a year, others are receiving between $4,000 and $5,000 a year. So that just the fact that they are veterinaries does not explain the whole thing. It is the particular job the individual is doing that fixes his compensation. I do not know that there is anything more I can add. We all would like to see pay increases for the staff, but that would mean collecting more taxes with which to pay the higher salaries. If salaries throughout the whole civil service were increased, they would naturally be increased in the Department of Agriculture.

Mr. NICHOLSON: The minister has had a number of men and women working on the wheat rust problem for a period of years. Would he give the committee the names of those who have been working on rust-resistant wheat and the salaries we are paying them, and state how long we are to have to wait before the employees receive more reasonable compensation?

Mr. GARDINER: The list of those persons will be found partly under botany and partly under experimental farms, but from the list we have here I could not state who are working full time and who are working only part-time on rust, because many individuals are working on different problems as well as rust. I am afraid I would have to give that information later. I have a long list of names here, but until they were sorted out they would not mean much to the committee or to me.

Mr. BURTON: Do these employees receive superannuation, and, if so, how large a pension would they receive?

Mr. GARDINER: The Civil Service Superannuation Act is much the same as the Saskatchewan act with which my hon. friend is familiar. As a matter of fact, when I put through the act in the Saskatchewan legislature it was based on the principles of the federal act so far as pension payments are concerned. The pension is based on the number of years of service, up to a maximum of thirty-five years service. After ten years of service the civil servant who is retired is paid one-fiftieth of his average salary for each year of service he has put in. If, for instance, he had put in thirty-five years of service he could draw thirty-five-fiftieths of his salary. Contributions are made by salary deductions from the employee's monthly salary, and an equal amount is contributed by the federal treasury into the superannuation fund.

Mr. BURTON: Do the temporary employees also come under the superannuation act?

Mr. GARDINER: The temporary employees do not come under the superannuation act, but on retirement a payment is made to them which is I think, roughly one month's pay for each year of service.

Mr. DOUGLAS (Weyburn): So that an employee who had been working for twenty-four years would receive two years salary as a retiring allowance? Is that it?

Mr. GARDINER: There is a certain limit set. Retiring allowances come under the finance department rather than agriculture, and I would not like to discuss them in too much detail without being sure of the facts.

My understanding is that there is a limit, and I take it that that limit is six years. I am not certain of that.

Mr. PERLEY: The hon. member for Mackenzie asked a question with respect to certain rust-resisting grain. As I understand it, that would come under the item for experimental farms.

Mr. GARDINER: That is right.

Mr. PERLEY: That is why I refrained from asking a question or two at this time.

Mr. GARDINER: Yes, it comes under experimental farms, except that there are some officials in this department who do work on rust.

Mr. FAIR: Before the minister gets away from the question of superannuation, would he tell the committee at what age the farmer gets his superannuation, and what the amount is? I ask this because I do not believe there is anyone in Canada who works harder or longer hours.

Mr. GARDINER: The hon. member, being a "fair" farmer himself, can give us that information, I think, better than anyone else.

Mr. WOOD: That is a very important question which was raised by the hon. member for Battle River—where does the farmer come in as regards superannuation? I should like to tell the hon. member that if he would put aside the price of a package of cigarettes every day from the time he was twenty-one years of age and apply it to the purchase of a government annuity such as we enjoy to-day by virtue of the social legislation brought down by a Liberal government in 1908, he could have superannuation at the rate of $100 a month at the age of sixty-five.

Mr. DOUGLAS (Weyburn): Have you tried it?

Mr. WOOD: That is a Canadian government annuity. And that is my answer to a farmer or any other person who—

Mr. DOUGLAS (Weyburn): Have you tried it?

Mr. WOOD: Will the hon. member let me finish? The question which has been raised is rather important, although it is probably out of order as far as the agriculture estimates are concerned, but why not settle it? We are always asking for new legislation to provide new privileges and new ways of doing things. Why not use the things we already have? We have that annuity system, and it has been on the statute books for twenty-five years. Yet an hon. member who takes credit for suggesting to the people of this country a new method of making life easier has overlooked this opportunity of setting aside something for his own security.

Mr. FAIR: Before getting away from this question—

The CHAIRMAN: Order. I really think this whole discussion is out of order.

Mr. FAIR: The hon. member for Brant was allowed to speak, and I think I should have the right of reply.

The CHAIRMAN: I cannot approve this discussion under the present item. It certainly has nothing to do with farmers' superannuation.

Mr. FAIR: This is the seventeenth of old Ireland, and I should like to have just one more word. I want to advise the hon. gentleman that I do not smoke; also, that the easiest way to get rid of some of the mentality we have in connection with the farmers is to clear the dead-wood out of their organizations.

Mr. DOUGLAS (Weyburn): The hon. member for Brant has supplied us with all the answers except, that to where the farmer is to get money to buy a package of cigarettes every day.

I wish to support the plea of the hon. member for Mackenzie. It seems to me that the whole picture with reference to agriculture is changing very rapidly.

Mr. DONNELLY: It has changed.

Mr. DOUGLAS (Weyburn): In Great Britain, the United States, and the Soviet Union there seem to have been tremendous changes going on, envisaging new uses for agricultural products, interesting farmers in new methods of production, and bringing forward scientific methods which were not dreamed of even a few years ago. Part of the reason for the advancement made along these lines is the painstaking work which has been carried on by scientists, not only agricultural research workers but scientists in other fields. I believe the minister is sympathetic to the point of view we are now expressing, and may I say to him that I believe the committee would support him if he came here and pointed out that in the period following the war there will have to be tremendous readjustment in agriculture, and that that readjustment can be made only

if there are well-trained scientists and if there is scientific data available to the farmer to begin to meet the post-war problems which will face Canada as one of the great agricultural exporting countries of the world. I feel certain that the minister would get the support of the committee if he would ask for a larger appropriation so as to make it possible not only to pay these scientists well but to get the necessary equipment to set up other laboratories for further research into scientific agriculture.

Mr. CASTLEDEN: Under this item, I believe, is carried on the dominion government weed survey. Could the minister tell us whether or not the following weeds are on the increase or decrease in the provinces of Manitoba, Saskatchewan and Alberta: sow-thistle, Canadian thistle, wild oats, pigweed and mustard seed?

Mr. GARDINER: We have not the data as to the general increase or decrease of the weeds mentioned. I can only tell the hon. member that wild oats are decreasing on my farm, that French weed is increasing, and that we did not have any sow-thistle ten years ago but the wind has blown a little in, and we see the occasional one. One could go over the whole province in that way and perhaps, if he examined all the different farms, come to a conclusion whether this or that weed is increasing or decreasing.

Generally speaking, the older the area becomes, the more weeds are to be found there. I think weeds generally have been on the increase in western Canada ever since I went there, forty-two years ago. At that time you could scarcely find weeds in wheat. Now you can find almost any weed you like to look for without travelling very far in western Canada.

One thing, probably, is not very well understood. There are insects that sometimes combat weeds. The grasshopper, for example, did a very good job in certain parts of Manitoba a few years ago in destroying sow-thistle, and farmers who live on the Portage la Prairie plains area tell me that you could go out in the fields and see grasshoppers standing on their heads sucking the last drop of juice out of the roots of the sow-thistle. So that what we call pests, and are pests in one direction, help us in another. That, I think, is true all through the vegetable field. Sometimes we get help where we least expect it. One of the reasons why my farm has less wild oats on it to-day than it had at one time is that—

An hon. MEMBER: You have been too busy to sow wild oats.

Mr. GARDINER: Yes, they were sown before I got there. But there is a particular grub known as the cutworm, which cleans wild oats out of a field more completely than I have ever been able to do with my summer-fallowing.

Mr. NICHOLSON: Since the minister has not readily available the information with regard to work on rust, I would say that I recognize here the names of four or five men who were outstanding honour students of the university. Will the minister tell us what they have been doing in the department? I refer to W. C. Broadfoot, J. E. Machacek, H. W. Mead, and R. C. Russell, whose names appear in the public accounts in the section relating to botany and plant pathology. I might say that the minister's explanation that it is difficult to get additional funds for personnel in a particular department should not hold good now. I have here the public accounts for the Department of Finance, and I find, under the wartime prices and trade board, several pages of salaries including amounts of seven, eight and ten thousand dollars, which amounts do not seem to be of any great concern to the Minister of Finance when it is important to get a job done. Men have been brought in to Ottawa from private industry. I am of the opinion that some of the men from private industry who are getting $6,000 and $8,000 a year are not as capable as men the minister has working for him at $2,400 to $2,600. Could the minister tell us something of the work that is being done by the four men whom I have mentioned?

Mr. GARDINER: The first two men mentioned are working in our laboratory at Edmonton. The laboratory is located on the campus of the university there. The other two are working in our laboratory at Saskatoon. They are doing similar work, general pathological work in connection with the studies that are being made there.

Mr. NICHOLSON: How many years have they been there?

Mr. GARDINER: About seven or eight years.

Mr. NICHOLSON: Would the minister be more specific? Were these men not with the department prior to 1935 or 1936?

Mr. GARDINER: Well, that is about eight years. They were there when I started.

Mr. NICHOLSON: Where have they been since they finished college in 1923 or 1924?

Mr. GARDINER: I do not follow the history of everyone who leaves college until he reaches the department.

Mr. NICHOLSON: My recollection is that these men have been doing the same type of work ever since leaving university. I wish the minister would check more carefully.

Mr. GARDINER: I have not the date here when they came, but I know they have been there since I came on myself, which is about six or eight years ago. They have been there all that time. As to what date they actually came, I am not in a position to say.

Mr. NICHOLSON: Will the minister find out and let us know?

Mr. GARDINER: I can find out, yes. What was the other part of the question?

Mr. NICHOLSON: I wondered exactly what type of work these men were doing.

Mr. GARDINER: General pathological work in connection with plant study. Anything connected with cereal crops that are grown on farms.

Mr. CASTLEDEN: May I ask a further question in connection with the weed survey. Are the results of those surveys available in any publication of the department and could they be made available to farm publications in the west?

Mr. GARDINER: They are not published in printed form but are in mimeograph form and are distributed on request.

Mr. BLACK (Cumberland): In connection with the weed seeds, is it true that a tolerance of three per cent, or thereabouts, of weed seeds was allowed in feed grain shipped from the prairie provinces to eastern Canada?

Mr. GARDINER: There was a tolerance of one per cent until last fall. It was then found impossible to get grain for feed moved here under that regulation. That was a regulation entered into as a result of cooperation between the provincial governments in the east and the federal government; but last fall the provinces and the federal authorities got together and agreed that a tolerance of three per cent would be allowed in order to permit of grain coming by Fort William without having to be unloaded and cleaned. Labour could not be secured with which to unload and clean the grain sufficiently fast to move it. That slowed up the loading and unloading of cars, and therefore in order to take care of the feed situation here the grain was allowed to come down with a seed allowance of anything up to three per cent. Up to that amount it was allowed to go by. Of course that was widely advertised at the time. The farmers were warned that the grain was coming down with a possible three per cent of weed seeds in it. They were warned that they should examine this grain and either have it cleaned in the east or clean it themselves after it arrived.

Mr. BURTON: The minister mentioned the shipping of grain to the east and the provincial departments of agriculture. I should like to know how his department and the provincial departments work in so far as weed control is concerned. In that connection I do not want the hon. members from eastern Canada to think that we raise a great deal of weedy crops out west. We raise a considerable amount of grain comparatively free from weeds. As the hon. minister pointed out, as time goes on and land gets older there is an increase in weeds. By different tillage operations, different methods of cultivating, it is possible to combat the weeds to a great extent. In the west we have different climatic conditions in certain years. Those conditions may sometimes cause a farmer to have a weedy crop in a certain year on land that he thought he had fairly well cleaned out of weeds in the preceding years of cultivation. Because of that I wish to warn the minister that while he may think his land is freer from wild oats now than it was in earlier years it is possible that in another year he may be surprised to find that there is a decided increase in wild oats. He may think he had not sowed any, but the wild oats may grow from seed sowed years ago. I have known wild oats to lie in the ground for seven years, land that had been sowed down to grass. When it was ploughed it was found that there were still wild oats there that had not been destroyed during that length of time. On the whole, whenever the farmers in the west have an opportunity to farm their land under favourable weather conditions they try to produce grain with as few weeds as possible. I should like to know how the provincial departments of agriculture work in with the Department of Agriculture here?

Mr. GARDINER: Of course we do study ways and means of controlling weeds through the work at our experimental farms and in other ways. As the hon. member for Humboldt knows, the actual control of weeds or the putting down of weeds is under the provincial authorities, and usually they have legislation which calls upon the municipal authorities to assist in the keeping down of weeds. That is done in both eastern and western provinces. There is cooperation in the studying of ways and means of controlling weeds. Sometimes what is looked upon as a weed in one area is looked upon as a useful plant in others, because of the use that is made of it. All that

work is carried on in a cooperative way between the two jurisdictions. Most of the control work on the ground is done provincially or municipally.

Mr. BURTON: May I follow up that statement? The Department of Agriculture here acts in an advisory capacity to the other departments in assisting experiments?

Mr. GARDINER: That is right.

Mr. BURTON: An endeavour is made to prevent overlapping in the work?

Mr. GARDINER: That is right.

Mr. BLACK (Cumberland): I should like to ask another question with respect to the tolerance of three per cent of weed seed in feed grain shipped to the eastern provinces. Did I understand that this has the approval of the minister's department and the approval of the departments of agriculture in the eastern provinces where this feed grain is shipped?

Mr. GARDINER: Yes; it was all discussed with them at the time. As a matter of fact, we received a lot of criticism at the time because we did not act until we received the permission of the eastern provinces to act. We did not take action until they were consulted. I might say that all this discussion on weed seed really comes under the item of plant products farther down. This item has to do with pathology, the study of diseases, really.

Mr. QUELCH: While the control of weeds may be largely under the provincial governments, nevertheless would the minister not say that the operation of the wheat acreage reduction measure had brought about an appreciable reduction of weeds in some areas? Would the minister give some information as to the results that have been obtained in that direction during the past year's operation of the wheat acreage reduction? Inspectors are going around inspecting the land. Have they not noticed whether there has been a better control of weeds?

Mr. GARDINER: I wish members of the committee would allow me to discuss this matter when we get to that item; otherwise I shall have to discuss it half a dozen times. What we are discussing here really is the matter of studying diseases in connection with plant life and that kind of thing. I would rather discuss the other matter when we get to it. Anything in connection with wheat acreage reduction ought to be discussed under that item.

Mr. CASTLEDEN: But weed surveys are made under this item, are they not?

Mr. GARDINER: Yes, weed surveys of a kind are made under this item. That question was all right, and I answered it.

Mr. PERLEY: The men in the department who are carrying on experiments in connection with the killing of weeds may be doing a good job, but no matter what the department does, the great part of this killing of weeds has to be done by the farmer himself. The minister says that weeds are more prevalent in certain districts. In the district south of the Qu'Appelle valley, just opposite the minister's own farm, in the early days the stinkweed was a blessing in disguise, because the farmers had to get down to real farming to kill it and there is hardly any of it there now. On the other hand, we are being cursed with certain other weeds, though we will handle them in due course. We had a lot of sowthistle; we have mastered that. We had some mustard; we have pretty well mastered that. In some districts, however, certain weeds are allowed to grow in order to overcome the effects of dry weather, and in our country we are now getting Russian thistle. What has been the experience of the department in controlling that weed? In the Wood Mountain district they allow that plant to grow in order to control the dry weather, and in the winter they leave it on the land. In the spring it rolls, and now it is rolling up into our country, where it is becoming a curse with us because we do not need it for the same purpose. Could the minister give us a little information in regard to the control of the Russian thistle?

Mr. GARDINER: As my hon. friend knows, the Russian thistle was really imported in to this continent. I understand it was brought here from Russia, or at least from some place on the continent of Europe, and planted by someone in the northern United States, I think in Montana or one of the neighbouring states. It is a plant that grows in dry seasons; it is more or less liked by animals if they are short of other feed, and mixed with straw it makes a fodder on which live stock can get by in difficult seasons. Whoever brought in the thistle certainly brought it to an area where it would spread, because it rolls; and in the prairie country, where there is nothing to stop tumbling mustard or a weed of this kind it rolls over the country, seeding itself as it rolls, so that it spreads very rapidly. This plant really was not known in western Canada twenty or twenty-five years ago, but now it covers practically the whole west. It changes the appearance of the prairie country in a dry season; it becomes a sort of a brown colour, which is not at all inviting, but the plant itself is perhaps helpful in a dry year, when nothing

else is growing. My experience is that it grows very little in a year when you have plenty of moisture; you just see a very small plant at the bottom of the crop, enough to reseed for another year. I assume those who brought it in did so for that very reason, and I do not know that a great deal of effort has been made to control it up to date, even by farmers cultivating the land. They make use of it when the season is such as to make that necessary; they stack it and feed it.

Mr. DONNELLY: There is no doubt that the Russian thistle came to the United States first, and from there it spread into the southern part of western Canada which I have the honour to represent. Russian thistle grows very thickly in dry weather; it prevents soil drifting and is very helpful in that respect. In wet weather it does not grow to any size at all. It does not interfere with crops; it is not injurious in any way, and we rather favour it because it helps in dry weather and can be used to a certain extent for feed.

Mr. FRASER (Peterborough West): A number of hon. members in the group to my left have been asking that the salaries of certain officials in the Department of Agriculture be increased, and I dare say there are many who deserve such increases. On July 18, 1940, however, the hon. member for Yorkton had this to say as reported at page 1762 of *Hansard*:

> I note at page 73 of the estimates that ten officials of the department are described as agricultural economists. These men are receiving something over $32,900, and despite the fact that this is a war year some of them are receiving increases in salary.

I do not think hon. members to my left are very consistent in what they are trying to do.

Mr. CASTLEDEN: I would point out that 1940 was a year in which the government was curtailing salaries. The matter brought up to-day was in connection with men who have been in the government for long periods, something in the neighbourhood of twenty years, and who have received no increases at all.

Mr. FRASER (Peterborough West): I would not put it in that way; I would say you are one way one day and the other way the next.

Item agreed to.

Science service—
9. Agricultural chemistry, $107,572.

Mr. CASTLEDEN: I understand that some experimental work has been carried on to ascertain the fertilizing value of open hearth slag received from the Dominion Steel and Coal Company in Sydney, Nova Scotia. Is this experimental work paid for by that company, or does the government carry it on gratis?

Mr. GARDINER: It is being studied thoroughly, but as yet there is no final report on it.

Mr. CASTLEDEN: My question was whether the company is paying anything toward the cost of this work, or if the government is doing it for them.

Mr. GARDINER: A study is being made under the experimental farms, and I think I shall have to wait until I reach that item in order to give the information.

Mr. CASTLEDEN: There is another matter in connection with animal nutrition. What has been the result of experiments carried on to ascertain the value of the mash which is one of the by-products of the manufacture of alcohol from wheat? Have experiments been carried on in that connection under this item?

Mr. GARDINER: There has been nothing done in that line up to date.

Item agreed to.

Science service—
10. Entomology, $502,247.

Mr. ROSS (Souris): I understand that this department makes a survey every fall with respect to grasshopper eggs that have been laid in various parts of the country, and also in connection with sawfly infestation. Since it would appear that this may be a dry season in some parts of the west, could we get some information as to what we may expect this year in connection with grasshopper and sawfly infestation, so that the producers may have some guidance as to the sort of crops they should plant. Certain types of crops are more resistant under these circumstances, and perhaps the minister could give us some information along that line.

Mr. GARDINER: The report we have on grasshoppers in 1943 is this. Grasshoppers were relatively of little importance on the Canadian prairies in 1943. In Manitoba the insects were present in such small numbers that provincial authorities made no provision for the setting up of mixing stations or the preparation and distribution of poison bait. It will be understood by all hon. members, particularly those from the west, that the provincial governments carry on the campaign against grasshoppers. In Saskatchewan baiting was carried out on an extremely restricted scale, and only in two or three localized areas where grasshoppers were abundant. Mixing

stations were operated in certain areas of Alberta, but the amount of bait used was abnormally small. The grasshopper population has been diminishing on the prairies for a number of years, this condition having been brought about by natural causes, chiefly the weather.

Services carried out in 1943 indicated that although there might be a slight increase in certain sections, these insects are not expected to be of great importance during 1944.

In British Columbia the situation is entirely different. A serious outbreak occurred in the range country, and in some parts of the province grasshoppers were more abundant in 1943 than has been the case for many years. Not only were range grasses destroyed over extensive areas, but gardens were invaded and vegetable crops severely damaged. Services indicate that grasshoppers will be present in large numbers again in 1944. This is a general report for the western provinces.

Mr. QUELCH: How far have the experiments gone in connection with creating spring wheat resistant to attacks by sawfly? I understand there is a variety of wheat that has that quality. Can the minister say how much seed is available, and what quality the wheat is?

Mr. GARDINER: That comes under experimental farms. If we hurry along and get down to that item, we may discuss many of these matters.

Mr. PERLEY: There is quite a considerable increase in this vote. Would the minister tell us in what province most of this money is spent? I notice there is an increase in travelling expenses amounting to $9,000. Surely that should be explained. In what province is most of the money spent?

Mr. GARDINER: The increase in travelling is explained in the following manner: $5,600 of this increase is owing to an amount required in lieu of funds made available under the Prairie Farm Rehabilitation Act in 1943-44 for carrying on work of prairie laboratories. Then $3,200 is to meet increased requirements for travel connected with wheat-stem sawfly, and the investigation and control of insects and mites, in tough and damp store grain on prairie farms. Then $598 is required to meet an accumulation of minor deficiencies in travel allotment in several of the smaller field laboratories.

Mr. PERLEY: The minister has mentioned mites. Has there been very much loss from mites? I do not think there is much of that on the farms, is there? It is mostly in the elevators.

Mr. GARDINER: There has not been very much of it anywhere during the last year. It has been pretty well under control, probably on account of the fact that there has not been as much wheat stored in temporary storage during the last year, and weather conditions have been somewhat different from what they were in the preceding year. The matter is kept under survey all the time in order to see that no considerable amount of grain is destroyed by mites.

Mr. PERLEY: On the farms?

Mr. GARDINER: There is a certain amount of investigation on the farms, but most of it is in connection with the elevators.

Mr. CRUICKSHANK: I understood the minister to say that there has been an increase in grasshopper danger in British Columbia. What steps are being taken to prevent that increase?

Mr. GARDINER: The work of fighting grasshoppers is done by provincial governments; it is not done by the government here. I am not familiar with what they are doing in British Columbia this year. In Saskatchewan and Alberta, as I read from the reports, there was not much activity required from the provincial governments in 1943. That activity was not carried on by us; it was carried on by the provincial governments. They spread the poison.

Mr. CRUICKSHANK: I understood the minister to say there has been an expansion of grasshopper danger in British Columbia.

Mr. GARDINER: Yes. Our duty is to warn the province that that is so. We make studies from time to time, and get reports as well. Any studies we make we pass on. I imagine all this is known to the government of British Columbia.

Mr. CRUICKSHANK: Am I to understand that this immense sum of money is to be expended on this item, and that the federal government is taking no steps to prevent the expansion of that particular disaster to British Columbia? Are they passing the buck to British Columbia?

Mr. GARDINER: No; we are not passing the buck to British Columbia. If we did the work they would be passing the buck to us. This work has always been done by the provincial governments. We do assist in making surveys, in order that they may know that this movement of grasshoppers is on the way. It starts in the United States, as a rule, in the state of Minnesota, then across to Manitoba, then into Saskatchewan. The next year they will be in Alberta. It has passed over those

provinces, and this year it is in British Columbia. We make the surveys because, first, it is international, and, second, it is interprovincial. But the matter of fighting grasshoppers is done by the provinces, assisted by the municipalities. They are right on the ground where the fighting is to be done. The provinces have been following the practice of accumulating poisons, and having storage space for those poisons in the areas where infestations are threatened. Then the poison is spread by the farmer, himself, about the fields where his crops are. As a rule it is spread by ploughing a furrow around the field, putting the poison in the furrow; then the grasshoppers are presumed to hop into that furrow, eat some of that poison—and they do not hop out again. Then they may destroy some of the crop in a strip roundabout; poison is spread there, and when they eat the poison they are destroyed. There are many ways of spreading the poison to combat the grasshopper. That is all done by the provincial authorities, or under their direction.

Mr. CRUICKSHANK: I understand that the federal government contributes to that cost.

Mr. GARDINER: We do not contribute at all to the control. We do research work, but we do not contribute toward the cost of control.

Mr. CRUICKSHANK: Does the federal government contribute to the cost of control in the prairie provinces?

Mr. GARDINER: No, nowhere.

Mr. ROSS (Souris): I should like to ask another question to clarify this situation. I believe the minister's department have technical men located in every province, and those men make surveys.

Mr. GARDINER: That is correct.

Mr. ROSS (Souris): They make surveys in connection with these parasites, or whatever they are called, and they cooperate with the provincial departments of agriculture. Their advice is available at all times. I just wish to know if that is correct?

Mr. GARDINER: Yes; that is correct.

Mr. ROSS (Souris): And the provinces pay all the costs of fighting plagues of this kind. But the minister's staff are always available to give advice, and they cooperate through the provincial governments and the municipalities; is that correct?

Mr. GARDINER: Yes; there is most complete cooperation between provincial authority and ours, and our activity is explained on the ground that it is international and interprovincial . We make the surveys and we warn the province ahead that an infestation is approaching their way. They get ready for it, and they will fight the grasshopper in that way.

Mr. PERLEY: There is likely to be an infestation in Saskatchewan, in June, is there not? I understand that the provincial government is taking care of it. There will be a lot of grasshoppers out there then.

Mr. GARDINER: There may be.

Mr. CRUICKSHANK: I presume I may ask a question on this item with respect to disease in potatoes from Alberta being brought to British Columbia?

Mr. GARDINER: That would come under the item for plant protection, the next item.

Mr. FRASER (Peterborough West): The hon. member for Dufferin-Simcoe referred to forests and forest products, when another item was under discussion, and I believe the minister told him to bring it up again under the item for entomology. The hon. member is conversant with our forests, and in regard to the budworm infestation I feel the same as he does. I understand that this year about 40,000 square miles are affected. Our forest products are very important to our internal and external trade, and particularly to our tourist trade. In fact agriculture in Canada could not exist if it were not for our forests. The accessible forests of Canada have been destroyed ten per cent during the past six or seven years.

This budworm, or bud-caterpillar, does considerable damage. It really is a caterpillar which eats the buds and destroys the tree. After it is dry, it is very susceptible to forest fires. Could not the dominion government get together with the provinces to work out some scheme to protect our forests? In cutting a fire-break a province can carry it only to its border when it must quit. Unless the other province continues on from that point, part of the work may be wasted. The dominion government should step in to supervise the cutting of fire-breaks and to see that they are kept clean. Proper watersheds should be provided. There was an article in the press of March 13, to the effect that the budworm infested balsam and fir principally, and if fir and balsam ran over forty per cent in an area, the budworm became very prevalent. This work would have to be carried out in cooperation not only with the provincial governments but with the United States because they are having the same trouble with the

budworm. Can the minister tell us what his department is doing on this? I know it is quite a problem, but it means life or death to the tourist trade and also to the lumber trade of Canada, because I have seen districts where hundreds of acres have been absolutely dried out by this worm.

Mr. GARDINER: The position in relation to battling the budworm is much the same as in relation to battling grasshoppers. We do the research and make surveys and give out advice to those who have the responsibility of caring for the resources of their province. The fact that there is an international aspect to the surveys and to the information given out makes it necessary that that particular end of the work should be done by this department. I have in my hand a memorandum on spruce budworm outbreaks which I think will give the committee full information.

The present spruce budworm outbreak in Ontario covers a very large area of forest lands, including some forty-five thousand square miles. About 18,000,000 cords of balsam fir and white spruce have been killed or injured beyond hope of recovery. There is no artificial method of control for a forest insect outbreak of this kind that can be applied over such a great area of forest lands. Aeroplane dusting with poisoned dusts was studied carefully by this department during the former spruce budworm outbreak some twenty years ago. The technique of application was perfected, but with the insecticides available at that time only partial control of the spruce budworm could be obtained, although other defoliating forest insects were readily destroyed. New and more effective insecticides are now available, and tests with them will be carried out next summer in Ontario forests. The application of insecticides from aeroplanes may eventually be utilized for the control of defoliating forest insects on areas of specially valuable timber, but the high cost of the operation will prevent its use over very large areas of pulpwood lands.

During the former spruce budworm outbreak, forest entomologists of this department made an intensive study of all methods of controlling the insect that seemed possible of application, and their report clearly stated that, although an outbreak by the spruce budworm extending over enormous areas could not be controlled by artificial means, it should be possible so to manage a pulpwood forest that in the future spruce budworm outbreaks would not develop therein. The recommendation in brief was that pulpwood lands should be managed so that over-mature stands of balsam fir would be utilized as rapidly as possible, and the balsam fir cut thereafter on a short rotation, leaving only rapidly growing stands on the ground, and also that the reproduction of spruce and mixed stands should be encouraged by every practicable means.

That recommendation still stands, and it is maintained by our entomologists that, if destructive outbreaks of this insect are to be avoided in the pulpwood forests of eastern Canada in the future, extensive areas of over-mature balsam fir must not be permitted to accumulate. Intensive studies of the present outbreak are in progress, and our forest entomologists are prepared to assist the companies in carrying out recommendations for salvage, control and prevention, whenever and wherever such assistance may be required.

Unfortunately, economic conditions were such that the recommendations of our entomologists were not followed in our pulpwood forests, and the present outbreak in northwestern Ontario is duplicating the former great outbreak that spread through Quebec and the maritime provinces. There is now some evidence that the operators of large areas of our pulpwood forests are becoming interested in the recommendations of the entomologists and have expressed their willingness to cooperate. It is to be hoped that management plans along the lines that are recommended will soon be put into operation. A definite effort is being made to join forces with the United States forest authorities in studying this problem, and an international committee of experts has been organized for this purpose.

The problem of appropriate forest management for the prevention of future outbreaks has many ramifications extending into fields of activity other than that of forest entomology, such as forestry and industrial chemistry. Limitations imposed by war-time conditions are unavoidable in the execution of a full programme of action. This situation can be dealt with more completely in our plans for post-war rehabilitation, but preliminary management plans should be prepared and applied without delay on several large areas in territory as yet unaffected by the present outbreak. In other words, preventive activities ought to be carried on in areas that are not yet infested.

Mr. FRASER (Peterborough West): I am glad the minister mentioned post-war work because fire-breaks would be one thing that could be done after the war. It would take a great number of men to carry on that work.

Mr. NICHOLSON: The statement just read by the minister demonstrates the importance of this work, and a vote of half a million dollars is quite small when we consider the large investments at stake. The minister's report states that the total estimation of monetary loss for Saskatchewan consisted of $11,230,000

owing to wheat-stem sawfly, $1,490,000 to cutworms, $10,140,000 to wireworms and $3,865,000 to grasshoppers. If this branch could do effective work in reducing this very large loss I am sure the appropriation would be very well spent. I want to repeat what I said regarding the botany and plant pathology staffs. In the public accounts there are fifty-nine listed in that branch who are receiving $2,400 or over. Only one receives over $5,000; four, over $4,000; four, more than $3,500, and eighteen are right down in the cellar, getting $2,400. Apparently there is a small ceiling at the top. How many university graduates are included in the fifty-nine? How many have their master's degree; how many have a Ph.D., and how many Ph.D.'s are receiving $3,000 or less.

Mr. GARDINER: I shall have that information when my estimates come up again.

Mr. CRUICKSHANK: I wish to register my protest through you, Mr. Chairman, to the minister against agriculture estimates being brought up on a Friday night when members representing Ontario rural constituencies are not present. Agriculture is the most important industry we have in Canada, and there are many agricultural matters that concern my riding as well as Ontario ridings that I wish to bring up; but I ask you, Mr. Chairman, what possible support I could get to-night in the present house from Ontario members in matters that particularly concern my riding? I realize that the hon. member for Fraser Valley is a very minor member; but I wish to quote from the Vancouver *Daily Province* of November 17, 1943, what a man who is fairly well known both in agriculture and in other circles has to say. I refer to ex-President Hoover of the United States. Here is the heading on the article, "Hoover urges farm control". The article goes on to quote former President Herbert Hoover as follows:

> The lack of cooperation and the conflict between government bureaus are now limiting and will even reduce, rather than increase, our animal products.

The reason why I bring this up is that I think it is very unfair that the agriculture estimates should be brought up on Friday night when there are no members present in the house representing agricultural districts other than members from the west.

Mr. FRASER (Peterborough West): Here is an Ontario member.

Mr. CRUICKSHANK: How many are here from Ontario? I feel bitterly about this practice, and I wish to register my protest against it. The minister has given his explanation of this item before the committee, item 10, but I would ask him what steps are being taken in connection with the eradication of weeds, particularly couch-grass, which particularly affects my riding.

Mr. GARDINER: The control of couch-grass is directed by the provincial authorities in all the provinces.

Mr. FRASER (Peterborough West): At Belleville there is a parasite laboratory. Would the minister tell us how the extra staff is taken on in the spring or early summer? I believe there is quite a large staff taken on there at that time. Who has the say as to who comes on?

Mr. GARDINER: As a rule, in ordinary times the extra staff is taken on by the civil service commission. At present they are taken on by national selective service.

Mr. FRASER (Peterborough West): Do they have to have a knowledge of entomology or parasite control or anything like that?

Mr. GARDINER: An intimate knowledge of entomology is not required for the summer work.

Mr. CASTLEDEN: What is being done with regard to making serums and other treatments available in the western provinces to combat encephalomyelitis, and has the disease been on the increase in 1943 as compared with 1942?

Mr. GARDINER: We discussed that the other night under animal and poultry pathology. We are on entomology at present.

Mr. CASTLEDEN: According to the minister's report, at page 57, an officer from Kamloops laboratory was brought to Saskatchewan to organize a survey of encephalomyelitis is that province. I wonder what the results of the survey have been.

Mr. GARDINER: There was very little of the disease last year.

Item agreed to.

Science service—

11. Plant protection, $288,740.

Mr. DOUGLAS (Weyburn): Would the minister care to say something about the work of this branch?

Mr. GARDINER: The purpose of this vote is (1) for the inspection and treatment if required of importations and exports of plants and plant products for insect pests and plant diseases in accordance with the Destructive Insect and Pest Act and regulations thereunder; in cooperation with the British Ministry of Food, the inspection of ships at maritime ports for insect infestations and the supervision of treatment, when required, prior to loading of food and plant products; in

cooperation with the division of entomology, the inspection of grain elevators, warehouses, dehydration plants, and grain storage ships in the great lakes ports, for insect pests, and the supervision of treatment when necessary: (2) to maintain essential seed supplies, the inspection in the field, in storage, and at shipping point of potatoes entered for certification as seed potatoes; in cooperation with the Department of Trade and Commerce and with the marketing service, Department of Agriculture, the promotion of the export trade in seed potatoes; potato tuber indexing in greenhouses during winter to assist growers in the development of disease-free seed potato stock; (3) the issuance of certificates of health for plants and plant products to meet requirements of importing countries; (4) the maintenance of quarantines under the Destructive Insect and Pest Act; (5) the eradication or control of foreign insects and plant diseases established in Canada, including the Japanese beetle.

Mr. BURTON: Why is there a reduction in this vote this year?

Mr. GARDINER: There is a decrease of $4,395 for permanent employees and an increase of $5,120 for temporary employees, which gives a balance of increase of $725. On wages there is a decrease of $1,000; cost of living bonus and other pay list items, increase, $2,372; buildings and lands, decrease, $9,700; equipment, increase, $2,160; miscellaneous supplies, war risk insurance, increase, $110; printing and stationery, increase, $1,000; supplies and materials, increase, $282; telephones, telegrams and postage, increase $200; travelling expenses, increase, $2,000; making total decreases of $10,700 and total increases of $8,849, or a net decrease of $1,851.

Mr. MARSHALL: The previous year the vote was $290,591, and the money actually expended was $276,170.77. The amount which actually was not used was $12,420. Is the minister in a position to tell the committee how much of this $290,591 was actually used?

Mr. GARDINER: We are not yet to the end of the financial year for which the $290,000 was provided. I have not, therefore, the final expenditures on that.

Mr. MARSHALL: Has the minister got them up to the present?

Mr. GARDINER: We have not them with us. As a matter of fact, we are not able to give the final figures even at the end of the financial year, because there is a thirty-day period allowed before we clean up with those accounts, and then, after that, the accounting has to be done, so that it would be some months before we could give that information.

Mr. DOUGLAS (Weyburn): I notice that this branch made some investigation of grain storage and that they work in conjunction with the branch responsible for entomology. What has the department's experience been with respect to mites? I know there has been some trouble with mites in farmers' granaries, especially during the damp season. Has there been any loss on account of mites in the terminal elevators or in any of the grain ships, or is it confined entirely to grain stored on farms?

Mr. GARDINER: I have here two circulars: they are rather long to read, but I just call hon. members' attention to them. This one is called, "Grain Storage Problems on Farms in Western Canada", by H. E. Gray, division of entomology, Department of Agriculture, Ottawa, and B. M. Smallman, board of grain commissioners, Winnipeg, Manitoba. This is put out by the department, and if hon. members get it and read it they will have the final information on the subject. Generally speaking, there has not been very much destruction of grain by mites during the year we have just come through. There was considerable destruction of grain during the previous year, but I have not the figures as to the number of bushels involved or anything of that kind. Most of the difficulty a year ago was in these special storages which were put up beside elevators at Fort William. The difficulties on the farm have not been so widespread.

Mr. DOUGLAS (Weyburn): The minister said that there had been some loss at Fort William. Does he mean in the terminal elevators?

Mr. GARDINER: Yes, there was, in the year before. There have been some slight losses this year, but not very much loss, in the terminal elevators.

Mr. DOUGLAS (Weyburn): I wondered whether the loss the year before was mainly because of poor storage or whether it was also prevalent in places where there was good storage. Would that be because damp wheat or tough wheat was put in, or is there some other explanation?

Mr. GARDINER: Most of the trouble was in the annexes. In elevators, of course, when you have any trouble you can move the grain by running it out of one bin into another, but in the annexes that is almost impossible, and there were losses in some of them.

Mr. DOUGLAS (Weyburn): The minister mentioned pamphlets. Every once in a while one comes across, almost by accident, some good pamphlet which has been put out by the

department. Would it be possible to have a copy of every pamphlet which comes out sent to each member, particularly to members for rural constituencies? If they found some pamphlet which they thought was of particular interest to their constituents they could ask the department to send out some more, or notify the agricultural organizations within their constituencies of the existence of this particular pamphlet and suggest that application be made to the department for a copy.

Mr. STIRLING: We get an index every year.

Mr. GARDINER: I will ask the officials to see that a copy is sent to every hon. member. It is a practice to send them out, and I think hon. members are on these lists.

Mr. STIRLING: The index is sent to them every year. We can watch them in that way.

Mr. GARDINER: As the hon. member for Yale points out, the index is sent out every year, and a member can get any particular publication that he wants. Some pamphlets are sent direct to members.

Mr. BURTON: I understood the minister to say there was considerable destruction of grain. Was there actually a great amount of grain destroyed, or was it just that much of it was infested with mites?

Mr. GARDINER: It was infested and had to be treated. When one takes the whole crop of 560,000,000 bushels two years ago it cannot be said that a very large proportion was destroyed by mites.

Mr. PERLEY: It was up to the elevators. The grain was in their annexes and they had to turn it over, sometimes taking it out of the annexes and putting it in the elevators and then putting it back.

Mr. GARDINER: There were warnings sent out. For instance, "Canada, Department of Agriculture," signed "Services, Division of Entomology: Protect Farm Stored Grain." This was sent out throughout the country, posted up, and mailed to individuals, giving warnings in connection with these matters. The farmers look after their own bins to a considerable extent.

Mr. BURTON: I should like to ask about a different kind of mite which may not be so small. Would the warble-fly menace come under this discussion? What has the department done to assist in trying to stamp out this pest, which is causing a considerable amount of damage to hides where we have animals on the farms?

[Mr. Douglas.] (Weyburn)

Mr. GARDINER: It really comes under the item we just passed, "entomology." But a very active campaign has been carried on in cooperation with the provincial departments of agriculture in order to fight the warble.

Mr. BURTON: The minister's department, I assume, works in cooperation with the provincial departments?

Mr. GARDINER: Yes.

Mr. QUELCH: Can the minister say if there will be any difficulty in obtaining supplies of arsenic in the event of a serious outbreak of grasshoppers? A year or two ago there was considerable difficulty in this matter in some municipalities.

Mr. GARDINER: It is not thought that there will be any difficulty in providing for any outbreaks which are anticipated in the coming year.

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

Mr. CRUICKSHANK: No.

Mr. STIRLING: It is not carried, and it is eleven o'clock.

Item stands.

Progress reported.

BUSINESS OF THE HOUSE

Mr. MACKENZIE (Vancouver Centre): On Monday we shall take up first of all the resolution on the war appropriation and the estimates of the Minister of Munitions and Supply, and we may call two items in order of supply during the day. If we do call them, they are on the Department of the Secretary of State and civil estimates of munitions and supply. Possibly we may have to discuss further the civil estimates of agriculture, and the house must be prepared to take into consideration at any time Mr. Speaker's report on standing orders.

Mr. STIRLING: May I ask what the minister means by saying that we might have to discuss two further items of munitions and supply?

Mr. MACKENZIE (Vancouver Centre): It is the intention to call two new items.

Mr. STIRLING: Apart from that, we are going into committee on war appropriations and take up munitions and supply?

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

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

Monday, March 20, 1944

The house met at three o'clock.

CANADIAN ARMY

APPOINTMENT OF LIEUTENANT-GENERAL H. D. G. CRERAR TO COMMAND FIRST CANADIAN ARMY

On the order of motions:

Hon. J. L. RALSTON (Minister of National Defence): Mr. Speaker, I have an announcement with regard to the army which I consider sufficiently important to make at this time. I have to inform the house that Lieutenant-General H. D. G. Crerar, C.B., D.S.O., has been appointed to command the First Canadian Army. General Crerar took over this morning from Lieutenant-General Kenneth Stuart, C.B., D.S.O., M.C. Lieutenant-General Stuart is chief of staff at Canadian military headquarters, and has also been holding temporarily the post of army commander, in which he has given exceptionally fine service. General Stuart will continue in his substantive post as chief of staff at Canadian military headquarters. General Crerar, along with his own wide experience and his high qualities as a soldier, becomes heir to the results of the labours of General McNaughton and the tens of thousands of officers and men who, like him, have worked unselfishly to bring the army organization to effective battle worthiness.

I have already placed on record in *Hansard* the recognition and deep appreciation of the government and the people of Canada, as expressed by the Prime Minister (Mr. Mackenzie King) himself, of the outstanding service which General McNaughton has rendered to the army and to Canada as commander of the First Division, the Canadian Corps, and then the First Canadian Army.

I cabled General Crerar last night expressing every confidence in his leadership, and in the determination and fighting qualities of the army under his command. At the same time I sent to him and to them the heartfelt wishes of all Canadians for great success. I am sure that the house and the country will join very heartily in that expression of confidence and sincere good wishes.

TRANS-CANADA AIR LINES

TABLING OF ANNUAL REPORT AND REFERENCE TO RAILWAYS AND SHIPPING COMMITTEE

Hon. C. D. HOWE (Minister of Munitions and Supply): I desire to lay on the table the annual report of Trans-Canada Air Lines for the year ending December 31, 1943. I move:

That this report be referred to the standing committee on railways and shipping owned, operated and controlled by the government.

Copies of the report are being distributed to hon. members this afternoon.

Motion agreed to.

BUSINESS OF THE HOUSE

REPORT OF STANDING COMMITTEE ON REVISION OF STANDING ORDERS

On the order for motions:

Mr. JEAN-FRANÇOIS POULIOT (Temiscouata): Mr. Speaker, under the item for motions we find this paragraph:

Further consideration in committee of the whole of the report of the special committee on the revision of standing orders.

As this item constitutes an amendment to the statute of the House of Commons, will it be possible for the government to give sufficient notice to members to be present when this whole matter with regard to the rules of the house is discussed? At the last sitting the senior minister told us that the amendments to the rules may be taken up at any time. That does not seem reasonable, and I hope the Prime Minister will give ample opportunity to all members so that we may know when the matter will be referred again to committee of the whole.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I am as anxious as can be to meet the wishes of hon. members. But it is obviously quite impossible to attempt to satisfy everyone in the matter of the time at which certain measures may be taken up. As my hon. friend knows, members are expected to be in the house at all times. The government must proceed on that basis. Notice is given in advance, where it is possible to do so, in order to further the convenience of hon. members. But that is wholly a matter of accommodation, so far as it can reasonably be carried out. There may be many occasions when this cannot be done. Beyond that I do not think the government should be expected to go in seeking to indicate the hour or day at which particular measures may be taken up.

EXCHEQUER COURT ACT

AMENDMENT TO PROVIDE FOR APPOINTMENT OF THIRD JUDGE

Hon. L. S. ST. LAURENT (Minister of Justice) moved for leave to introduce bill No. 35, to amend the Exchequer Court Act.

He said: This is a proposal that, if the business makes it necessary, the governor in council be authorized to appoint an additional judge of the exchequer court. For the last couple of years the work of the court has been unusually heavy, and it is contemplated that the problem of adjudicating upon relations between companies that have received capital assistance, and others engaged in war work, will be a heavy task. It was thought it would be wise to propose to parliament

that provision be made for the appointment of a third judge if the work of the court appears to make that necessary.

Mr. GRAYDON: Is there any suggestion that the divorce jurisdiction now exercised by parliament is likely to be transferred to the exchequer court?

Mr. ST. LAURENT: No such suggestion s contained in this bill.

Motion agreed to and bill read the first time.

WATER METERS INSPECTION

REPEAL OF ACT ASSENTED TO IN 1905

Hon. C. W. G. GIBSON (Minister of National Revenue) moved for leave to introduce bill No. 36, to repeal the Water Meters Inspection Act.

Mr. GRAYDON: We had better have an explanation of this.

Mr. GIBSON: The act to be repealed was assented to in 1905, but was not to be effective until proclaimed by the governor general. In 1927, when the committee was preparing the revision of the statutes, it dropped the clause requiring proclamation, and so by error the act became law. It has remained on the statute book ever since, although it has never been actually administered.

Motion agreed to and bill read the first time.

CRIMINAL CODE

DEFAMATION OF PERSONS OR GROUPS ON ACCOUNT OF RACE OR RELIGION

Mr. ANGUS MacINNIS (Vancouver East) moved for leave to introduce bill No. 37, to amend the criminal code.

He said: This bill proposes an amendment to the criminal code by adding a new section, 318-A, to come after section 318, to prevent public utterances or the dissemination of material calculated or likely to cause discrimination or disharmony on account of race or religion. The utterance for publication of such statements tends to set race against race and religious groups against religious groups. The intention is to make such action illegal in the interest of unity and harmony among the people of Canada, irrespective of race or religion.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk)

J. L. COHEN, K.C.

Mr. MACKENZIE (Lambton-Kent):

1. Has J. L. Cohen, K.C., of Toronto, been engaged in an official capacity by the government of Canada or any agency thereof since the beginning of the present war?

[Mr. St. Laurent.]

2. If so, what were his duties?

3. What did he receive from the public treasury in, (a) salary and/or per diem allowances; (b) living expenses and/or travelling expenses?

4. Were any accounts rendered by the said J. L. Cohen, K.C., considered excessive by the department of government concerned?

5. If so, were the accounts reduced from the total amounts submitted, and by how much?

6. If on salary for any particular government position, did the said J. L. Cohen, K.C., devote his full time to the position?

Mr. MARTIN:

1. (i) Mr. J. L. Cohen, K.C., served on various boards of conciliation and investigation under the Industrial Disputes Investigation Act during fiscal years 1940-41 and 1941-42.

(ii) Mr. Cohen also was a member of the National War Labour Board from February 11, 1943, to September 9, 1943.

2. (i) Mr. Cohen performed the normal functions of a member of boards of conciliation and investigation.

(ii) During the period Mr. Cohen served as a member, the National War Labour Board was charged with administration of the wartime wages control order, P.C. 5963 as amended by P.C.1141, of the order in council P.C. 7679 and of the Fair Wages and Hours of Labour Act, 1935, as well as the supervision of the regional war labour boards.

3. (i) As member of various boards of conciliation and investigation under Industrial Disputes Investigation Act during fiscal years 1940-41 and 1941-42: (a) Per diem allowances, $6,920.00; (b) Living expenses and/or travelling expenses, $2,918.57; (20 different boards).

(ii) As a member of the National War Labour Board: (a) Salary, $5,664.56; (b) Living expenses and/or travelling expenses, $3,176.09.

4. Yes.

5. Yes. Reduced as follows:

Date of account	Submitted at	Reduced by	Paid at
Feb. 28/43....	$ 476 07	$ 1 40	$ 474 67
Mar. 31/43....	766 07	* 137 06	629 01
Apr. 30/43....	363 00	25	362 75
May 31/43....	467 31	12 70	454 61
June 30/43....	399 09	1 95	397 14
Aug. 31/43....	444 86	54 51	390 35
	$2,916 40	$207 87	$2,708 53

6. While serving as a member of the National War Labour Board Mr. Cohen occupied a salaried position and devoted his full time thereto.

*Excess due to an obvious error of which Mr. Cohen was unaware.

CANADIAN PACIFIC AIR LINES — LICENCES TO OPERATE AIR ROUTES

Mr. KNOWLES:

1. How many applications for licences to operate air routes have been received from Canadian Pacific Air Lines since January 1, 1943?
2. What routes are named in these applications?
3. Have any of these applications been granted? If so, which ones?
4. What is the status of any applications not yet granted?

Mr. CHEVRIER:

1. Twenty-eight.

2. A. Old routes applied for:

(i) Regina—North Battleford with points of call at Moose Jaw, Saskatoon and Prince Albert.

(ii) Vancouver—Victoria.

(iii) Senneterre—Waswanipi with points of call at Cameron Lake and Madeleine Lake.

(iv) Roberval—Mistassini with points of call at Chamouchouane Lake, Chigobiche Lake, Dolbeau, Lac aux Dores, Lake Bourdeau, Lake Chibougamau, Nikabau Lake, Opemiska Lake, Rush Lake, St. Felicien, Wakonichi Lake, P.Q.

(v) Prince Albert—Goldfields with points of call at Big River, Buffalo Narrows, Buffalo River, Clear Lake, Contact Lake, Cree Lake, Dore Lake, Fond du Lac, Foster Lakes, Ile a la Crosse, Lac la Ronge, La Loche, La Plonge-Beauval, Montreal Lake, Pine River, Souris, Stanley Mission, Stony Rapids, Sulphide Lake, Sask.

(vi) Vancouver—Zeballos with points of call at Ceepeecee, Chamiss Bay, Esparanza, McBride Bay (Port Tahsis), Nanaimo, Nootka, Port Alberni, Tofino, Ucluelet.

(vii) Prince George—Watson Lake with points of call at Finlay Forks, Fort Graham, Fort Ware, Lower Post, McLeod Lake.

(viii) Vancouver—Port Alice with points of call at Alert Bay, Campbell River, Coal Harbour, Englewood, Port Hardy, Port McNeill, Powell River, Quatsino, Rock Bay, Sayward.

(ix) Vancouver—Whitehorse—Dawson with points of call at Carmacks, Fort Nelson, Fort St. John, Lower Post, B.C., Mayo, Y.T., Prince George, B.C., Selkirk, Teslin, Y.T., Watson Lake, Williams Lake, B.C.

(x) Edmonton — Whitehorse — Dawson with points of call at Carmacks, Dawson Creek, B.C., Fort Nelson, Fort St. John, B.C., Grande Prairie, Alta., Lower Post, B.C., Mayo, Y.T., Peace River, Alta., Selkirk, Teslin, Watson Lake, Y.T.

(xi) Prince George—Takla Landing with points of call at Aiken Lake, Bear Lake, Fort St. James, Germansen Lake, Germansen Landing, Manson Creek, McConnell Creek, Pinchi Lake, Thutade Lake, Two Brothers Lake, Uslika, B.C.

(xii) Edmonton—Goldfields, Cameron Bay Aklavik with points of call at Arctic Red River, N.W.T., Bitumount, Alta., Blue Lake, B.C., (Port Radium) and/or Labine Point, N.W.T., Carcajou, Chipewyan, Alta., Coppermine, N.W.T., Embarrass, Fitzgerald, Alta., Fond du Lac. Sask., Fort Nelson, Fort St. John, B.C., Fort Smith, N.W.T., Fort Vermilion, Alta., Good Hope, Gordon Lake, Hay River, N.W.T., Keg River, Lac la Biche, Alta., Liard, N.W.T., McMurray, Alta., McPherson, N.W.T., Nelson Forks, B.C., Norman and/or Norman Wells, N.W.T., North Wabiskaw Lake, Alta., Outpost Island, N.W.T., Peace River, Alta., Providence, Rae, N.W.T., Red Fern Lake, B.C., Red River, Alta., Resolution, Rocher River, Simpson, South Nahanni, N.W.T., South Wabiskaw Lake, Alta., Stony Rapids, Sask., Taltson River, N.W.T., Tuchodi Lake, B.C., Waterways, Alta., Wrigley, Yellowknife, N.W.T.

(xiii) The Pas—Flin Flon—Brochet with points of call at Cormorant Lake, Cranberry Portage, Man., Cumberland House, Sask., Elbow Lake, Gurney Gold (Brune Lake), Man., Halfway Island, Sask., Herb Lake, Man., Island Falls, Sask., North Star Lake, Man., Pelican Narrows, Sask., Pukatawagan, Reed Lake, Sherridon, Man., South End, Sturgeon Landing, Sask.

(xiv) Winnipeg and/or Lac du Bonnet, Kenora—Pickle Lake, Norway House—Ilford with points of call at Berens River, Beresford Lake, Birk Lake, Blissett, Man., Casummit Lake, Cole, Ont., Cross Lake, Man., Deer Lake, Ont., Diana, Man., Doghole Bay, Favourable Lake, Ont., God's Lake, Man., Golden Arm, Gold Pines, Ont., Halfway Lake, Island Lake, Man., Jackson Manion, Ont., Knee Lake, Little Grand Rapids, Man., Madsen, Ont., Maskwa, Man., McKenzie Island, Minaki, Northwind Lake, Ont., Oxford House, Man., Red Lake, Sachigo, Sandy Lake, Sioux Lookout and/or Hudson, Swain Post, Uchi Lake and/or Lost Bay, Ont., Wadhope, Wallace Lake, Man.

(xv) Kenora—Straw Lake with points of call at Flint Lake, Populous Lake, Rowan Lake, Whitefish Bay, Witch Bay, Ont.

(xvi) Kenora—Red Lake with points of call at Minaki, Madson, McKenzie Island, Golden Arm, Cole.

(xvii) Winnipeg or Lac du Bonnet—Hudson with points of call at Sioux Lookout, Uchi Lake, Jackson Manion, Swain Post, Casummit Lake, Golden Pine, Red Lake, McKenzie Island, Golden Arm, Madsen Cole.

(xviii) Hudson—Pickle Lake with points of call at Sioux Lookout, Doghole Bay, Uchi Lake, Lost Bay.

B. New routes applied for:

(xix) Edmonton—North Battleford with point of call at Vermilion as an extension of the Regina-North Battleford route.

(xx) Saint John—Halifax.

(xxi) Toronto, Hamilton, St. Catharines, Niagara Falls, Fort Erie, Welland, St. Thomas, Chatham, Windsor, Sarnia, London, Woodstock, Galt, Brantford, Paris, Stratford, Waterloo, Kitchener, Guelph.

(xxii) Port Alice and Prince Rupert.

(xxiii) Toronto, Montreal, Cornwall, Brockville, Gananoque, Kingston, Belleville, Trenton, Peterborough, Lindsay and Oshawa.

(xxiv) Montreal, Ottawa and Rouyn.

(xxv) Toronto, Sudbury, North Bay, Haileybury, Kirkland Lake, Timmins, Porquis Junction and Rouyn/Noranda.

(xxvi) Port Arthur, Sioux Lookout.

(xxvii) The Pas and Winnipeg, Manitoba.

(xxviii) Sydney, New Glasgow, Truro, Halifax, Kentville, Yarmouth, Saint John, Fredericton, Edmundston, Mont Joli and Rimouski.

3. Yes. Licences have been issued for the following routes by the Department of Transport and the Board of Transport Commissioners: (1) Senneterre-Waswanipi; (2) Roberval-Mistassini; (3) Vancouver-Victoria; (4) Regina-North Battleford.

Licences have been issued for the following by the Board of Transport Commissioners only: (1) Prince Albert-Goldfields; (2) Vancouver-Zeballos; (3) Prince George-Watson Lake; (4) Vancouver-Port Alice.

4. All outstanding applications to operate air routes are being held on file for future consideration.

FATS FROM BEEF CATTLE

Mr. SENN:

1. Is it compulsory for wholesale butchers when slaughtering beef cattle to deliver up all the fat produced?

2. If so, to whom must such delivery be made, and at what price?

3. What use is made of such fat when delivered?

4. What is the price paid for fats resulting from the slaughter of beef cattle destined for use in the manufacture of explosives?

Mr. ABBOTT:

1. By order No. 231 of the wartime prices and trade board, slaughterers are required to remove certain fats from carcasses of beef at time of slaughter. Slaughterers have the option of selling such fats: (a) in the raw state at maximum prices fixed by administrator's order A-849 of the wartime prices and trade board; (b) in the rendered state at maximum prices fixed by administrator's order A-426 of the wartime prices and trade board.

[Mr. Chevrier.]

2. See answer to question No. 1. Prices of raw fats vary for the different kinds and for the different zones defined in administrator's order A-849; prices of rendered fats vary for the different kinds and grades and for the different zones defined in administrator's order A-426.

3. Raw or rendered fats may be sold through retail channels for household culinary purposes. If fats are produced under government inspection they may also be sold to manufacturers of shortening. If they are not produced under government inspection they can be sold for any of the following uses: (a) soap; (b) lubrication; (c) tanning; (d) fatty acids; (e) chemical oils and fats.

4. See answer to question No. 2.

BONUS ON WESTERN BEEF

Mr. SENN:

1. What is the amount per hundredweight paid by way of bonus on beef moving from Manitoba, Saskatchewan and Alberta?

2. Is there any bonus on movement of live cattle from western Canada?

3. Has any bonus been allotted or paid to eastern farmers who purchase western cattle for feeding in the east?

4. If so, to whom is the bonus on western beef paid?

5. Is the bonus paid only on beef from cattle killed in the west?

6. What is the total amount of bonus paid to date on western beef moving to the east?

Mr. ABBOTT:

1. The subsidy on movements of dressed beef from certain areas of Manitoba, Saskatchewan and Alberta to eastern destinations (zones 10, 11 and 12 to zones 1, 2, 3, 4, 5 and 6 as defined in Order 194 of the wartime prices and trade board) has been suspended on all shipments on and after March 18, 1944. The subsidy was not payable on the basis of a fixed rate per hundredweight. The subsidy payable has been the amount by which initial icing or insulating charges (not exceeding $15 per carload), icing charges en route and rail freight charges at carload rates exceed the difference between the value of the dressed beef moved calculated at the maximum selling price in the zone of delivery, and the value calculated at the maximum price in the zone in which the shipment originated. Where such beef is shipped in a mixed car, initial icing or insulating charges and icing charges en route have been recognized to the extent of the ratio between the amount of dressed beef to the total amount of goods carried in that car.

2. No.

3. No.

4. See answers to questions 1 and 3.

5. The subsidy on dressed beef is paid to shippers, on shipments from the areas described in section 1 above only.

6. The amount of subsidy paid on dressed beef to Feb. 29, 1944 was $293,506.20.

LABOUR CONDITIONS—RADIO COMMENTATORS

Mr. ROSS (St. Paul's):

1. Under the ruling of the national war labour board respecting wage and salary increase, do all radio commentators come within the class of the "uncontrolled and legally uncontrollable section of the community"?

2. If not, how many do?

3. What is the "uncontrolled and legally uncontrollable section of the community"?

Mr. MARTIN:

1, Decisions of the national war labour board respecting wage increases are arrived at on the basis of specific applications made to the board covering the employees of a particular employer. As the wartime wages control order applies only to employees of or below the rank of foreman or comparable rank and does not apply to individuals who may be independent contractors rather than engaged in an employee relationship, whether or not a particular radio commentator was subject to the wartime wages control order would depend upon his or her comparable rank and upon the conditions of service.

2. Answered by No. 1.

3. The expression mentioned has reference only to individuals such as doctors, lawyers and others who are neither "employees" nor "salaried officials" within the meaning of the wartime wages control order and the wartime salaries order respectively, and whose remuneration is not subject to the provisions of either the orders mentioned.

INDIAN AFFAIRS—DR. F. PORTH

Mr. KNOWLES:

1. Is Dr. F. Porth in the employ of the Indian Affairs branch of the government?

2. If so, (a) what was the date of his appointment; (b) what is his salary; (c) what are his duties?

3. Has Mrs. F. Porth been employed by the Indian Affairs branch at any time since January 1, 1940?

4. If so, what remuneration has she received, and for what services?

Mr. CRERAR:

1. Yes.

2. (a) Accounts paid since March, 1940; (b) Not on salary; paid for services rendered up to $250 a month; (c) To supply medical attention to the Brokenhead reserve, Clandeboye Agency; in charge of medical work at Fort Alexander reserve and Fort Alexander Hospital at Pine Falls, Manitoba.

3. No.

4. Answered by No. 3.

ORDERS IN COUNCIL

Mr. DIEFENBAKER:

How many orders in council have been passed, (a) since the beginning of the war; (b) since the present session of parliament has commenced?

Mr. MACKENZIE KING:

(a) Since the beginning of the war (September 10, 1939 to March 15, 1944), 42,398 orders in council and 23,287 minutes of treasury board have been passed.

(b) Since the present session of parliament has commenced (January 28, 1944 to March 15, 1944), 1,186 orders in council and 850 minutes of treasury board have been passed.

SOLDIER SETTLEMENT

Mr. WINKLER:

1. How many disabled veterans of the present war have applied for land under the Soldier Settlement Act?

2. How many disabled veterans have been allocated to other districts than their own locality in order to receive the benefits of climate in alleviating the disability?

Mr. CRERAR:

1. Veterans of the present war are not eligible for assistance under the Soldier Settlement Act but may apply for establishment under the Veterans' Land Act, 1942. Up to January 31, 1944, six hundred and seventy-one applications for qualification had been received under the Veterans' Land Act. Applicants with pensionable disabilities are not segregated from non-pensioners for statistical purposes, but under present administrative policy of limited establishments made necessary by the shortage of new machinery and of seasoned lumber for building purposes, pensioners or veterans who are otherwise confronted with exceptional circumstances are being given prior consideration.

2. Disabled veterans in common with other veterans who are qualified for establishment under the Veterans' Land Act are not allocated arbitrarily to properties or localities by the director of the act but have the right of choice subject to their being qualified for the enterprise in which they wish to engage and to the suitability of the land on which they wish to be settled.

KOOTENAY-FLORENCE MINE, B.C.

Mr. ESLING:

1. What price did the government pay for the Kootenay-Florence mine on Kootenay lake, B.C.?

2. From whom was the mine purchased?

3. What has been the expenditure for developing mine and mill to 31st December, 1943?

4. What was the production of concentrates to 31st December, 1943, (a) to what point were

these concentrates shipped; (b) what price was received for the lead and zinc contents; (c) what price was received for the silver content, if any?

Mr. CHEVRIER:

1. The government did not purchase the mine but is paying a royalty to Florence Mining Company, Limited, for metals produced.

2. Answered by one.

3. By the government, $181,681.

4. 861·5 tons of zinc concentrate containing 863,569 pounds of zinc; 387·4 tons of lead concentrate containing 462,974 pounds of lead; (a) The concentrates were shipped to the order of the United States government through its agent the Metals Reserve Company; (b) Final settlement includes cost of production plus a royalty; (c) No payment was received on account of the silver content.

CANADIAN FORCES—SKILLED TRADESMEN

Mr. BLACK (Cumberland):

1. How many skilled tradesmen have been enlisted in each of the armed services?

2. What is the percentage to the total enlistments in each service?

Mr. MACDONALD (Halifax): The information the hon. member desires is not available. Men are not enlisted as skilled tradesmen, they are enlisted as artillerymen or infantrymen, as the case may be. There is no record which enables us to give the hon. member the information that he has asked for so far as the army is concerned.

COAL PRODUCTION—NATIONAL EMERGENCY

Mr. HURTUBISE:

When did the government declare coal to be a national emergency?

Mr. CHEVRIER: On November 23, 1942, P.C. 10674 was passed establishing an emergency coal production board on the advice of the coal administrator that a national emergency in respect to the production of coal existed.

On May 17, 1943, P.C. 4091 was tabled authorizing the issue of a proclamation declaring that a state of national emergency in respect to the production of coal existed. (Page 2701, *Hansard,* 1943.)

COAL PRODUCTION—MAN-POWER

Mr. HURTUBISE:

What actions were taken by the government with a view to providing additional workers in the coal mines?

[Mr. Esling.]

Mr. MARTIN:

(a) Under arrangements between Department of National Defence and Department of Labour, coal miners receive special consideration for postponement of military service.

(b) Personnel of armed services in Canada with coal mining experience are granted leave of absence (without pay and allowances) if willing to return to the coal mines; in certain instances they are granted discharge from the armed forces. (Such personnel are encouraged by both national defence and selective service officers to return to the coal mines).

(c) Under instructions of national selective service, permits are not issued for coal miners to seek any other employment.

(d) Order in council P.C. 4092 issued in May 1943 requires ex-coal mine workers to return to the mines regardless of present civilian occupations. They are guaranteed full employment.

(e) Orders in council P.C. 4861, June 17, 1943 and P.C. 6077, July 29, 1943 give national selective service officers authority to direct any male person over 16 years and less than 65 years of age, to accept and enter specified employment in coal mining.

(f) Order in council P.C. 121, January 1944, provides that no person engaged as a coal mine worker will be accepted prior to August 1, 1944 for enlistment in any branch of the armed services, except under permit issued by a national selective service officer.

COAL PRODUCTION—MAN-POWER

Mr. HURTUBISE:

What have been the results of any actions taken by the government regarding increasing man-power in the mines?

Mr. MARTIN: The increases in the number of employees in the coal mines under the various government actions have been:

(a) Ex-coal miners returned from armed services to coal mines to February 15, 1,955.

(b) Ex-coal mine workers returned to mines under P.C. 4092 to January 15, 2,180.

(c) Persons directed to mines under P.C. 4861 and P.C. 6077 to January 15, 480.

(d) Others were employed by mine operators in the ordinary course, and certain employees were dropped from their payrolls for various reasons.

(e) Net Result: Number of coal mine workers on payrolls June 1, 1943, was 24,864 and at January 15, 1944, was 28,526, an increase of 3,662 workers or 14·7 per cent.

INDIANS—SERVICE IN ARMED FORCES

Mr. MacINNIS:

1. What is the total number of Indians serving in the armed forces of Canada?
2. What is the number according to province or military district?

Mr. CRERAR:

1. 2,383 enlisted Indians (as at February 15, 1944).

2. Enlisted Indians, by provinces (as at February 15, 1944): Prince Edward Island, 24; Nova Scotia, 92; New Brunswick, 166; Quebec, 164; Ontario, 1,062; Manitoba, 156; Saskatchewan, 382; Alberta, 87; British Columbia, 243; Northwest Territories, 0; Yukon Territory, 7.

WOOL PRICES SINCE 1930

Mr. FAIR:

What is the price for the best grade of wool in Canada each year since 1930?

Mr. MacKINNON (Edmonton West): Annual prices of wool in Canada, 1930-February, 1944:

Raw Wool, per pound in quantities of 20,000 pounds or more, f.o.b. Ontario points

	Eastern wool, bright low medium ¼ blood Staple or 50's	Western domestic semi-bright ⅜ blood Staple or 56's
1930	$0·179	$0·163
1931	0·143	0·126
1932	0·103	0·090
1933	0·137	0·145
1934	0·181	0·190
1935	0·153	0·151
1936	0·208	0·204
1937	0·292	0·258
1938	0·168	0·161
1939	0·193	0·191
1940	0·303	0·273
1941	0·310	0·280
1942	0·310	0·280
1943	0·310	0·280
1944		
January-February	0·310	0·280

Note.—These are the best grades of eastern and western wool for which prices are available since 1930. The price differential in favour of eastern quarter blood is related to its lower shrinkage. Under terms of order in council P.C. 1-2519 a bonus of 4 cents per pound was authorized on all standard grades of Canadian unwashed fleece wool from the 1943 clip. This amount is not included in the above prices. An extension of the bonus arrangement to cover 1944 has been authorized by order in council P.C. 2-1000.

In 1943 highest maximum price authorized for established grades was 33 cents per pound for eastern and 29 cents per pound for western wool.

FARM LOAN BOARD—LOANS, OPERATING COSTS, ETC.

Mr. WOOD:

1. How much money has the Canadian farm loan board loaned by provinces from its inception of operations in 1929 to March 31, 1943?

2. What is the source from which the Canadian farm loan board obtains such funds for loaning purposes?

3. What is the total amount of money borrowed by the board to March 31, 1943?

4. What rate of interest does the board pay on its borrowed moneys?

5. What is the present rate of interest charged by the Canadian farm loan board, (a) on first mortgages; (b) on second mortgages?

6. Has the board repaid any of the borrowed moneys? If so, how much?

7. (a) How many outstanding loans were on the books of the board in each province as of March 31 for each of the years 1939 to 1943; (b) what was the amount repaid on principal and interest by borrowers in each province in each of the fiscal years 1939 to 1943?

8. Does the provincial government of the province of Quebec pay any portion of interest due by its farmer borrowers to the Canadian farm loan board? If so, at what rate?

9. What were the total amounts of revenue producing assets under the board's administration for each of the last five fiscal years?

10. What were the total operating costs of the board in each of the last five fiscal years?

11. What were the board's reserves as of March 31, 1943?

12. How does the board provide for reserves and operating costs?

Mr. ABBOTT:

The following reply is furnished by the Canadian Farm Loan Board:

1. British Columbia	$ 2,618,144
Alberta	9,019,771
Saskatchewan	8,049,528
Manitoba	5,822,469
Ontario	6,025,110
Quebec	13,631,762
New Brunswick	1,188,769
Nova Scotia	1,580,627
Prince Edward Island	1,215,006
Total	$49,151,186

2. By proceeds of sale of Canadian Farm Loan Board bonds to the Dominion Government and from loan repayments.

3. $35,250,000.

4. 3½ per cent.
5. (a) 5 per cent; (b) 6 per cent.
6. Yes—$8,000,000.

7. (a) Number of outstanding first mortgage loans by provinces for the fiscal years ending as follows:—

Province	March 31/39	March 31/40	March 31/41	March 31/42	March 31/43
British Columbia.	750	839	870	874	846
Alberta	3,558	3,995	4,128	4,128	3,985
Saskatchewan	2,998	3,358	3,490	3,587	3,591
Manitoba	2,009	2,204	2,314	2,337	2,297
Ontario	1,845	2,239	2,473	2,569	2,530
Quebec	4,771	5,036	5,306	5,579	5,527
New Brunswick..	626	664	677	670	653
Nova Scotia	737	849	884	896	874
P. E. I.	453	563	640	693	717
Totals	17,747	19,747	20,782	21,333	21,020

(b) Repayment of principal and interest by provinces for the fiscal years ending as follows:—

British Columbia

Year	Princ.	Int.
March 31/39	82,940	71,436
March 31/40	101,864	76,154
March 31/41	125,223	82,287
March 31/42	125,054	86,270
March 31/43	196,849	85,881

Alberta

March 31/39	306,926	294,464
March 31/40	318,862	314,073
March 31/41	364,179	350,139
March 31/42	527,150	335,524
March 31/43	634,804	330,323

Saskatchewan

Year	Princ.	Int.
March 31/39	148,804	190,197
March 31/40	358,371	405,742
March 31/41	322,975	335,924
March 31/42	447,659	361,740
March 31/43	505,465	364,569

Manitoba

March 31/39	211,609	178,522
March 31/40	259,315	197,090
March 31/41	243,359	207,781
March 31/42	401,458	241,737
March 31/43	456,324	205,489

Ontario

Year	Princ.	Int.
March 31/39	134,485	130,328
March 31/40	179,284	172,157
March 31/41	262,058	203,892
March 31/42	336,895	234,960
March 31/43	474,706	239,733

Quebec

March 31/39	569,015	443,982
March 31/40	581,337	429,873
March 31/41	609,903	477,639
March 31/42	684,718	481,037
March 31/43	824,079	482,206

New Brunswick

March 31/39	36,111	39,879
March 31/40	42,283	41,525
March 31/41	44,829	37,167
March 31/42	63,590	43,664
March 31/43	77,101	37,037

Nova Scotia

Year	Princ.	Int.
March 31/39	43,979	44,466
March 31/40	45,788	44,795
March 31/41	51,310	53,167
March 31/42	64,194	63,754
March 31/43	98,670	64,559

Prince Edward Island

March 31/39	20,776	22,768
March 31/40	20,820	30,291
March 31/41	32,018	35,980
March 31/42	32,045	49,440
March 31/43	64,604	58,703

8. Yes. The provincial government of the province of Quebec pays the difference not exceeding 3 per cent between the annual interest of 3 per cent and that charged by the Canadian Farm Loan Board to the farmers of the province of Quebec on the capital of loans granted.

9.

Year	Farm Mortgage Loans	Agreements for Sale	Real Estate	Total
	$	$	$	$
March 31, 1939	34,383,593	394,496	264,027	35,042,116
March 31, 1940	36,652,349	432,348	262,184	37,346,881
March 31, 1941	37,142,738	455,363	326,568	37,924,669
March 31, 1942	36,292,895	503,608	347,708	37,144,211
March 31, 1943	33,984,701	554,829	339,582	34,879,112

10.

Fiscal Year	Amount
1938-39	$360,860
1939-40	382,310
1940-41	377,829
1941-42	371,299
1942-43	335,468

11.

Statutory Reserve		$ 420,224.37
Unappropriated Surplus		36,049.87
Reserves for Losses on Outstanding Loans:		
First Mortgage	$770,753.02	
Second Mortgage	107,551.23	878,304.25
		$1,334,578.49
Less Deficit from Operations under the Canadian Fisherman's Loan Act		2,816.99
		$1,331,761.50

12. The spread between cost of moneys and revenue provides the margin for setting up reserves and paying cost of operations.

LIEUTENANT-GOVERNORS OF THE PROVINCES—EXPENSES ON ACCOUNT OF THE WAR

Mr. DORION:

1. Is any amount being paid to any lieutenant-governor other than the lieutenant-governor of the province of Quebec, to cover his additional expenses on account of the war?

2. If so, (a) to whom; (b) in what amount; (c) since when?

Mr. McLARTY:

1. Yes.

2. (a) The Lieutenant-Governor of Nova Scotia; (b) At the rate of $4,000 a year; (c) April 1, 1941.

EXPORTS OF FRESH AND FROZEN HALIBUT

Mr. HANSON (Skeena):

1. How many pounds of Canadian halibut were frozen in 1943, and where, showing monthly amounts?

2. How many pounds of fresh and frozen Canadian halibut were exported per month in 1943, and to what countries?

Mr. MacKINNON (Edmonton West):

1.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Canada
	lb.	lb.	lb.	lb.	lb.	lb.	lb.	lb.	lb.	lb.
January	....	....	*	....	....	....	....	*	*	68,229
February	....	....	*	....	....	....	....	*	*	282,093
March	....	*	*	....	....	....	....	*	*	296,651
April	....	*	*	....	....	....	....	*	*	379,829
May	....	5,516	*	....	*	....	....	*	563,176	573,065
June	....	16,306	*	....	*	....	....	*	2,265,270	2,311,086
July	....	45,656	*	*	....	....	....	*	2,551,706	2,630,088
August	*	23,872	*	*	*	*	....	*	561,964	654,403
Sept.	....	5,544	*	*	....	*	....	*	669,851	683,421
October	*	11,040	*	*	....	*	....	*	1,119,487	1,149,085
Nov.	*	*	*	*	....	....	....	*	106,876	175,542
Dec.	....	*	*	....	....	....	....	*	88,815	100,641
Total	2,359	114,710	360,876	29,248	19,202	18,254	....	28,543	8,730,941	9,304,133

* (In accordance with the usual statistical practice, where less than 3 reports received, details cannot be revealed.)

2.	United Kingdom	United States	Total
	lb.	lb.	lb
January	....	258,200	258,200
February	....	241,100	241,100
March	....	548,700	548,700
April	....	740,000	740,000
May	....	1,883,700	1,883,700
June	....	2,566,800	2,566,800
July	....	325,700	325,700
August	150,100	92,700	242,800
September	....	128,100	128,100
October	....	149,700	149,700
November	....	73,300	73,300
December	....	35,500	35,500
Total	150,100	7,043,500	7,193,600

QUESTIONS PASSED AS ORDERS FOR RETURNS

LEASE OF PROPERTY IN KINGSTON

Mr. CARDIFF:

1. Has the government leased the property known as St. Mary's of the Lake, 355 King St. West, Kingston, Ontario?
2. If so, when was it leased?
3. From whom is the property leased?
4. What rent is being paid for this property?
5. What is the total of expenditure made by the government since it was leased?

Mr. MARTIN: Return tabled.

MOBILIZATION REGULATIONS—PROSECUTIONS—CONSCIENTIOUS OBJECTORS

Mr. DOUGLAS (Weyburn):

1. What are the names, home addresses and ages of all persons imprisoned to January 31, 1944, as a result of prosecutions arising from their failure to comply with mobilization regulations?
2. Which of these individuals claim to have conscientious objections to military service?
3. Where are each of the individuals located at the present time, and what length of prison terms are they serving?

ALTERNATIVE SERVICE REGULATIONS—PROSECUTIONS

Mr. DOUGLAS (Weyburn):

1. What are the names, home addresses and ages of all persons imprisoned or sent to alternative service work camps from the beginning of the present war to January 31, 1944, as a result of prosecutions arising from their failure to comply with alternative service regulations?
2. Where are each of these individuals located at the present time, and what length of prison terms are they serving?

CONSCIENTIOUS OBJECTORS

Mr. DOUGLAS (Weyburn):

1. How many individuals who made application to mobilization boards for postponement as conscientious objectors were granted this status by the boards up to January 31, 1944?

[Mr. Hanson (Skeena).]

2. How many of these individuals were sent to alternative service camps?
3. How many individuals were refused status as conscientious objectors?

UNEMPLOYMENT, MONTREAL—NOBEL DEFENCE INDUSTRIES PLANT

Mr. FOURNIER (Maisonneuve-Rosemont):

1. According to the most recent official information, how many persons residing within the limits of the city of Montreal have been registered as unemployed, (a) men; (b) women?
2. Are there, within the limits of the city of Montreal, any industries which have hired persons previously employed at the Nobel plant in Ontario?
3. If so, how many persons have been so transferred?
4. Have such transfers been made through the selective service? If not, how have they been made?
5. Are the persons so transferred sure of finding living accommodation in Montreal?

DEPARTMENT OF LABOUR—MEMBERSHIP OF PERSONNEL IN TRADE UNIONS

Mr. CORMAN:

1. How many are employed by the Department of Labour who are or were members of a trade union?
2. How many persons have been appointed to boards or committees, etc., after consultation with trade unions?
3. What number allocated to each board, committee, etc., were recommended by trade unions?
4. What are the names of those holding official positions in the Department of Labour who are or were members of trade unions?

BOUCHARD, STE. THERESE, AND NOBEL DEFENCE INDUSTRIES PLANTS

Mr. BERTRAND (Terrebonne):

1. Who ordered the transfer to the Defence Industries plant at Bouchard, Ste. Thérèse, of some fifty employees from Defence Industries at Nobel?

2. Were such transfers approved by the selective service or made by the company itself?
3. Has the selective service office at Ste. Thérèse been notified of such transfers?
4. How long did each of such employees work for Defence Industries at Nobel?
5. How many among them have previously worked for Canadian Industries Limited?
6. Will the government take the necessary steps to reinstate in their former occupation some fifty persons laid off or placed with less pay in secondary positions?

PURCHASE OR RENTAL OF QUEBEC PROPERTIES

Mr. ROY:

1. Since 1939, has the dominion government bought or rented real estate or property, (a) in the county of Quebec West and South; (b) in the county of Quebec East; (c) in the county of Quebec South; (d) in the county of Quebec-Montmorency; (e) in the county of Lévis; (f) in the county of Bellechasse; (g) in the county of Montmagny, in the province of Quebec?
2. If so, (a) in what years, from whom, and at what price has such property or real estate been bought or rented; (b) where is it located, and what use is being made of it?
3. Has the government cancelled the rental or resold any of such real estate or property?
4. If so, at what price, and on what conditions?

JOHN GRIERSON

Mr. FRASER (Peterborough West):

1. Having reference to sessional paper No. 175, is John Grierson still on loan from the national film board to the wartime information board?
2. What salary is now being paid to John Grierson, on what authority, and for what service?
3. Is John Grierson engaged in any employment or engagements other than the government service?
4. What amount has been paid to John Grierson in travelling or other expenses during the past twelve months?

ST. LAWRENCE NORTH SHORE MAIL SERVICE

Mr. DORION:

1. Is there a contract between the government and the Clarke Steamship Limited for carrying mail to the north shore of the St. Lawrence river?
2. If so, what are the terms of such contract?

Mr. MacKINNON (Edmonton West): Return tabled.

CUSTOMS DUTIES ON ARTICLES SENT TO OVERSEAS SERVICE PERSONNEL

Mr. JOHNSTON (Bow River):

1. Is there a customs duty on cigarettes sent from Canada to the R.C.A.F. stationed at Malta?
2. If so, what is the duty on 300 Sweet Caporal cigarettes?
3. Is there a duty on other articles sent to our fighting forces who are on active service and stationed in Europe?

MOTIONS FOR PAPERS

TUNNEL BETWEEN P.E.I. AND THE MAINLAND

Mr. BLACK (Cumberland):

For a copy of all correspondence since the entrance of Prince Edward Island into confederation exchanged between the government of Prince Edward Island and the federal government, in connection with the proposed building of a tunnel or causeway from Cape Tormentine, New Brunswick to Prince Edward Island.

Also for a copy of all plans, surveys and estimates of cost with dates of each survey and estimate and by whom made.

Mr. BLACK (Cumberland): Through the courtesy of the Minister of Transport I conferred with the officials of his department and we have agreed as to what information should be brought down.

Mr. SPEAKER: Dropped.

Mr. BLACK (Cumberland): I should like it to be passed. I am not asking for all the correspondence or all the plans; we have agreed upon what should be brought down and what can be brought down.

Motion agreed to.

NELSON, B.C., EMERGENCY AIRPORT

Mr. ESLING:

For a copy of all letters, telegrams, correspondence, reports and other documents in the possession of the Department of Transport, exchanged between the said department and the city of Nelson, British Columbia, or any official thereof, including any correspondence and reports of Mr. W. S. Lawson regarding an emergency airport on the waterfront of the city of Nelson.

SELECTIVE SERVICE—CONVICTIONS AT COCHRANE, ONT., FOR EVASION OF REGULATIONS

Mr. McGREGOR:

For a statement showing a list of the names of men convicted during the months of January and February, 1944, in the court of Magistrate Tucker at Cochrane, Ontario, for evasion of selective service regulations; also showing age of each one convicted, his home address, the selective service office from which these men were sent to northern Ontario, together with the name and position of the official signing the documents involved; also a record showing where these men were employed before going to northern Ontario; and also the reports of the R.C.M.P. on these cases.

Mr. ST. LAURENT: I must object to the latter part of this motion, which asks for the production of reports of the Royal Canadian Mounted Police. These are reports by officers of the R.C.M.P. to their superior officers and they are confidential in nature. I am informed in the department that the house has never ordered the production of any of this confidential information which is on the files of the Royal Canadian Mounted Police.

ACQUIREMENT BY CANADA OF UNITED KINGDOM CAPITAL INVESTMENTS

Mr. FRASER (Peterborough West):

For a copy of order in council P.C. 1/3233, April 19, 1943, together with a statement describing the "capital investments" of the government of the United Kingdom acquired by the government of Canada and referred to in the above order; also for a statement giving amounts of refunds of duties and/or taxes granted to contractors in amounts not under $100, as referred to in paragraph (1) of the said order; and for a statement of what government-owned plants or incorporated crown companies received the benefit of remission of customs duties and/or taxes, referred to in paragraph (4) of said order; also amount of refunds or remission of duties and/or taxes paid to or granted to contractors, or increases in contract prices made under paragraph (7) of the said order.

MOBILIZATION ACT—DOUKHOBORS

Mr. DIEFENBAKER:

For a copy of all orders in council respecting liability of Doukhobors for military service, and all rules and regulations and instructions issued by the Department of National Defence or the Department of National War Services in connection with the calling up of Doukhobors for service, or alternative work or service, under the National Resources Mobilization Act; and for a copy of all correspondence, telegrams and other documents passing between the Doukhobors and any department of government from the outbreak of the war to date with regard thereto.

STATUTES AMENDED OR ALTERED BY ORDER IN COUNCIL

Mr. DIEFENBAKER:

For a copy of all orders in council passed since the 15th of July, 1943, which amend, suspend or otherwise alter the operation of any statute or statutes passed by the parliament of Canada, and a list of all statutes so affected.

SYNTHETIC RUBBER—POLYMER CORPORATION

Mr. KNOWLES:

For a copy of all contracts and/or letters or other documents in lieu of contracts, written or entered into at any time since January 1, 1942, relating to the operation of the respective units of the Polymer plant at Sarnia, between Polymer Corporation Limited and Imperial Oil Limited, St. Clair Processing Corporation Limited, Dow Chemical Company of Canada Limited, and Canadian Synthetic Rubber Limited, as referred to in clause 3 (b) of order in council P.C. 2799, of April 8, 1943.

Also, for a copy of all orders in council relating to Polymer Corporation Limited, dated since April 8, 1943.

INTERNMENTS—ALOIS N. SCHNEIDER

Mrs. NIELSEN:

For a copy of all correspondence, reports, representations and other documents exchanged between any person, persons or organization and any department of government, including the R.C.M.P., with regard to the internment and release of Alois N. Schneider, of St. Walburg, Saskatchewan, from 1939 to date.

[Mr. St. Laurent.]

Mr. ST. LAURENT: I must object to this motion, which calls for the production of papers, including those of the R.C.M.P., with respect to the release of a person interned under the defence of Canada regulations. Up to the present time the house has never insisted upon the production of such documents, because it has been felt that their publication would be detrimental to the proper administration of the defence of Canada regulations. It has been explained to the house several times that much of the information respecting the internment of persons or the release of persons who have been interned is of a highly confidential nature, whether coming from persons within the country or from representatives of allied governments, and that it would be contrary to the proper administration of these regulations to have it made public.

Mrs. NIELSEN: My motion was seconded, not by the hon. member for Laval-Two Mountains (Mr. Lacombe) as Your Honour put the motion, but the hon. member for Cartier (Mr. Rose). May I be permitted to reply to the Minister of Justice? I was not able to hear everything he said, but I believe the minister said that reports from the R.C.M.P. could not be produced. I understand that the R.C.M.P. is a force for the protection of the Canadian people. Where a person has a record such as that of the man in question I think the people of this country should have information regarding his release, particularly when it so happens that for a number of years he was an organizer for the Liberal party and we are now expecting an election in the province of Saskatchewan.

Mr. SPEAKER: Dropped.

Mr. COLDWELL: Before the motion is dropped may I say my reading of it indicates that it does not call for a report from the mounted police. What it asks for is correspondence between persons and the Royal Canadian Mounted Police, not confidential reports from the Royal Canadian Mounted Police. It seems to me it is in a different position from the other motion to which the minister objected a few moments ago. Are we to take it that correspondence between persons and any department of government and the Royal Canadian Mounted Police should not be divulged in the house? This motion does not ask for a report.

Some hon. MEMBERS: Dropped.

Mr. SPEAKER: Dropped. The minister has made his explanation, with his objections

to the fulfilment of this order, and I must take it; otherwise the question can be put to a vote.

The house divided on the motion (Mrs. Nielsen) which was negatived on the following division:

YEAS

Messrs:

Adamson	Jackman
Bence	Jaques
Black (Cumberland)	Johnston (Bow River)
Blackmore	Knowles
Boucher	Kuhl
Brooks	Lacombe
Bruce	Lacroix (Beauce)
Bryce	Leader
Burton	MacInnis
Cardiff	MacKinnon
Casselman (Grenville-Dundas)	(Kootenay East)
Castleden	MacNicol
Coldwell	Marshall
Diefenbaker	Nicholson
Douglas (Weyburn)	Nielsen, Mrs.
Esling	Noseworthy
Fair	O'Brien
Fraser (Peterborough West)	Perley
Gillis	Quelch
Graydon	Rose
Green	Ross (St. Paul's)
Hansell	Ross (Souris)
Hatfield	Roy
Hlynka	Shaw
Homuth	Stirling
	Stokes
	Wright—51.

NAYS

Messrs:

Abbott	Kirk
Black (Yukon)	LaFleche
Blair	Lapointe (Matapedia-Matane)
Blanchette	Leger
Bourget	Little
Bradette	Lizotte
Brunelle	McCubbin
Casselman, Mrs. (Edmonton East)	McCulloch
Chambers	MacDiarmid
Chevrier	Macdonald (Halifax)
Clark	Macdonald (Kingston City)
Claxton	McDonald (Pontiac)
Cleaver	McGarry
Corman	McGeer
Crerar	McGibbon
Cruickshank	McIlraith
Dechene	McIvor
Donnelly	MacKenzie (Lambton-Kent)
Douglas (Queens)	MacKenzie (Neepawa)
Edwards	Mackenzie (Vancouver Centre)
Evans	MacKinnon (Edmonton West)
Fournier (Hull)	McLarty
Gershaw	MacLean (Cape Breton North-Victoria)
Gibson	McLean (Simcoe East)
Gladstone	McNiven (Regina City)
Golding	Martin
Graham	Matthews
Gregory	Mayhew
Hanson (Skeena)	Michaud
Henderson	Mitchell
Hoblitzell	Mulock
Howden	Neill
Howe	O'Neill
Hurtubise	Picard
Isnor	Pinard
King, Mackenzie	Pottier
Kinley	Purdy
	Ralston
	Reid
	Rennie
	Roebuck
	Ross (Hamilton East)
	Ross (Middlesex East)
	Sinclair
	Sissons
	Taylor
	Thauvette
	Tremblay
	Tripp
	Tucker
	Veniot
	Ward
	Weir
	Whitman
	Winkler—92.

PAIRS

(The list of pairs is furnished by the chief whips.)

Messrs:

Turgeon	Rowe
Ross (Moose Jaw)	Senn
Moore	Harris (Danforth)
Fraser (Northumberland)	McGregor
Telford	White

Mr. ST. LAURENT: I was paired with the hon. member for York-Sunbury (Mr. Hanson). Had I voted, I would have voted against the motion.

FARM LOAN BOARD—SASKATCHEWAN—J. L. DOUGANS

Mr. NICHOLSON:

For a copy of all letters, telegrams and other documents in possession of the government in connection with the resignation and reappointment of J. L. Dougans in 1940, employed by the Saskatchewan branch of the Canadian farm loan board.

ROYAL COMMISSION ON COMPLAINTS OF JAPANESE IN BRITISH COLUMBIA

Mr. FRASER (Peterborough West):

For a copy of the report of the royal commission on complaints of Japanese in British Columbia and which report was made to the Honourable the Minister of Labour.

Mr. MITCHELL: Copies of report in French and English are now tabled.

DEPARTMENTAL ORGANIZATION

ESTABLISHMENT OF DEPARTMENT OF RECONSTRUCTION

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to introduce a measure to establish a department of reconstruction with authority to formulate and coordinate reconstruction plans and carry out such plans during a certain number of years following the cessation of hostilities; to provide for the em-

ployment of officers, clerks and servants necessary for the proper conduct of the department; and to provide for the proper and efficient administration of the act.

He said: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the consideration of the house.

Motion agreed to.

PROVISION FOR DEPARTMENT OF VETERANS' AFFAIRS

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to 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.

He said: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the consideration of the house.

Motion agreed to.

PROVISION FOR DEPARTMENT OF SOCIAL WELFARE

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to provide for a Department of Social Welfare to include that part of the Department of Pensions and National Health not to be included in the Department of Veterans' Affairs and to assume the management and control of and to consolidate in such department matters relating to the social security and welfare of the people of Canada as may from time to time be assigned to it; 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.

He said: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the consideration of the house.

Motion agreed to.

[Mr. Mackenzie King.]

UNITED NATIONS

RELIEF AND REHABILITATION ADMINISTRATION—IMPLEMENTATION OF AGREEMENT OF NOVEMBER 9, 1943

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to bring in a measure for carrying into effect the agreement for the establishment of a united nations relief and rehabilitation administration, signed on the 9th day of November, 1943, and to provide that interim expenditures not exceeding $10,000,000 for carrying out the said agreement be defrayed out of moneys provided under the War Appropriation (United Nations Mutual Aid) Act, 1943, and that all other expenditures incurred in carrying out the said agreement be defrayed out of moneys to be voted by parliament.

He said: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the consideration of the house.

Motion agreed to.

TECHNICAL EDUCATION ACT

AMENDMENT TO PROVIDE FOR APPROPRIATION OF UNEXPENDED FUNDS

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

That it is expedient to introduce a measure to amend the Technical Education Act to make available, for the purposes of the act, any portion of the unexpended appropriation during the period of five years succeeding the fiscal year ending March 31, 1944.

He said: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the consideration of the house.

Motion agreed to.

JUDGES' ACT

AMENDMENT TO PROVIDE FOR SALARY OF THIRD JUDGE OF EXCHEQUER COURT OF CANADA

Hon. L. S. ST. LAURENT (Minister of Justice) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to introduce a measure to amend the Judges' Act to provide for the salary of an additional puisne judge of the Exchequer Court of Canada.

He said: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the consideration of the house.

Motion agreed to.

CANADIAN NATIONAL RAILWAYS

PROVISION TO MEET CERTAIN EXPENDITURES AND GUARANTEE OF SECURITIES AND INDEBTEDNESS

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

That it is expedient to bring in a measure to provide for the refunding of matured, maturing and callable financial obligations of the Canadian National Railways and for the issue of securities guaranteed by the Dominion of Canada in respect of such refunding to an aggregate principal amount not exceeding $200,000,000.

He said: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the consideration of the house.

Motion agreed to.

CITY OF OTTAWA AGREEMENT

AUTHORIZATION OF PAYMENT OF $100,000 FOR THE YEAR ENDING JULY 1, 1944

Hon. ALPHONSE FOURNIER (Minister of Public Works) moved that the house go into committee at the next sitting to consider the following resolution:

Resolved, that it is expedient to introduce a measure to authorize the Minister of Public Works on behalf of His Majesty to enter into an agreement to pay to the Corporation of the City of Ottawa the sum of $100,000 for the year ending July 1, 1944.

He said: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the consideration of the house.

Motion agreed to.

LABOUR CONDITIONS

APPOINTMENT OF MR. JUSTICE ARCHIBALD AS CHAIRMAN OF NATIONAL WAR LABOUR BOARD

Hon. HUMPHREY MITCHELL (Minister of Labour): On Thursday last the Prime Minister informed the house that the Hon. Mr. Justice C. P. McTague, of the Supreme Court of Ontario, had felt it necessary, for personal reasons, to tender his resignation as chairman of the national war labour board. I now have pleasure in announcing the appointment of Mr. Justice Maynard B. Archibald, of the Supreme Court of Nova Scotia, as the new chairman of the board. Mr. Justice Archibald has acted on a number of occasions on commissions and boards set up by the Department of Labour to deal with problems of industrial relations. It is expected that he will arrive in Ottawa to take over his duties immediately after the Easter parliamentary recess; he finds it impossible to come any earlier. In the meantime, however, the house may rest assured that the board will continue to function, dealing with the cases before it.

I now table a copy of order in council P.C. 1986, providing for the appointment of Mr. Justice Archibald.

WARTIME LABOUR RELATIONS REGULATIONS EFFECTIVE AS OF THIS DAY

Hon. HUMPHREY MITCHELL (Minister of Labour): I wish to inform the house that order in council P.C. 1982 was approved to-day, bringing into force the wartime labour relations regulations covered by order in council P.C. 1003 of February 17 last. In announcing the new regulations I had stated that they would be put into force on a date to be fixed by the governor in council. They are in effect as from to-day. I now table copy of order in council P.C. 1982.

BOUCHARD DEFENCE INDUSTRIES LIMITED PLANT

On the orders of the day:

Mr. FRED ROSE (Cartier): May I ask a question of the government. What are the real facts regarding a story widely circulated in the province of Quebec to the effect that French-Canadian workers have been laid off from the Bouchard plant and replaced by English-speaking workers.

Mr. SPEAKER: That is a question that must be placed on the order paper.

PROPOSED LAY-OFF OF AIRCRAFT WORKERS AT MACDONALD BROS., WINNIPEG, PLANT

On the orders of the day:

Mr. S. H. KNOWLES (Winnipeg North Centre): I wish to direct a question to the Minister of Munitions and Supply. I shall respect Your Honour's view against the reading of telegrams, but may I say that I ask this question because I received, an hour or so ago, a telegram from the secretary of the Winnipeg and district trades and labour council. The question is this. Is the government aware of a proposed lay-off of 800 aircraft workers at the plant of Macdonald Brothers in Winnipeg? If so, will consideration be given to reducing the hours of labour if no other way can be found of avoiding such a lay-off?

Hon. C. D. HOWE (Minister of Munitions and Supply): I received notice of this ques-

tion only a few moments ago. I know of no lay-off at the plant of Macdonald Brothers, but I shall be glad to look into the situation and answer the question later.

POSSIBLE CLOSING OF WESTERN COAL MINES

On the orders of the day:

Mr. C. E. JOHNSTON (Bow River): The other day I asked the parliamentary assistant to the Minister of Finance whether the subsidies would be continued to western coal mines in order that they might continue operating after the end of this month and the hon. gentleman said he would give an answer to-day.

Mr. D. C. ABBOTT (Parliamentary Assistant to the Minister of Finance): I had hoped to have the information to-day, but I have not received it. I confidently anticipate that I shall have it to-morrow.

INCOME TAX

POSSIBILITY OF EXTENSION OF TIME FOR FINAL PAYMENT

On the orders of the day:

Mr. GORDON GRAYDON (Leader of the Opposition): Before the orders of the day are called, I wish to address a question to the Minister of National Revenue. Will the government give favourable consideration to allowing the final payment of the 1943 income tax to be spread over a period beyond April 30 next?

Hon. C. W. G. GIBSON (Minister of National Revenue): The hon. member was kind enough to send me a copy of the question. I answered substantially the same question on March 10, and he now asks whether there is likely to be any change in the policy of the government in connection with the final payment of income tax. All I can say is that should there be any changes in government policy, they will be announced in due course.

ROYAL CANADIAN AIR FORCE

STATUS OF PERSONNEL EMPLOYED ON TRANS-CANADA AIR LINES AS TO UNION MEMBERSHIP

On the orders of the day:

Mr. GORDON GRAYDON (Leader of the Opposition): I have another question which I think should be directed to the Minister of Munitions and Supply. In any event, I have sent a copy of the question both to the Minister of National Defence for Air (Mr. Power) and to the Minister of Munitions and Supply. In cases where Royal Canadian Air Force pilot personnel have been released for active employment with Trans-Canada Air Lines, are these pilots allowed to become members of a trade union and enjoy the provisions of collective bargaining under the new labour code?

Hon. C. D. HOWE (Minister of Munitions and Supply): If the pilots in question have received their discharge from the Royal Canadian Air Force they are of course at liberty to join trade unions. If they are still members of the armed forces, the regulations of the forces do not permit their joining trade unions.

Mr. GRAYDON: In other words, it is a question of whether they are on leave of absence or have been discharged.

Mr. HOWE: Quite.

FOREIGN EXCHANGE

REPORTED AGREEMENT ON POST-WAR DOLLAR GOLD-BASED STABILIZATION FUND

On the orders of the day:

Mr. VICTOR QUELCH (Acadia): I should like to direct a question to the government. In the evening *Citizen* of March 15, there appeared a statement to the effect that early and complete agreement among British, American, Russian and Canadian treasury experts, on a multibillion dollar gold based fund to stabilize post-war foreign exchange "was believed imminent to-day". Will the Prime Minister assure the house that no such agreement will be entered into by Canada without first of all referring the matter to parliament?

Right Hon. W. L. MACKENZIE KING (Prime Minister): Any assurance I have given the house will be implemented in so far as it is in my power to have this done.

CANADIAN ARMY

CONDITIONS FOR GRANTING OF FARM SPRING LEAVE, 1944

On the orders of the day:

Mr. W. C. MACDONALD (Parliamentary Assistant to the Minister of National Defence): Several members have made inquiries of the Minister of National Defence (Mr. Ralston) with regard to the terms upon which farm spring leave is to be granted by his department. I wish now to make a statement with reference to the matter.

When informing the house last year of the terms upon which leave for this work was

being granted to army personnel, the minister suggested that the hopes of members of the house and of those engaged in farming should not be raised too high.

Mr. HOMUTH: He was quite right about that.

Mr. MACDONALD (Halifax): In announcing the terms of farm leave for the present spring season, I repeat the minister's remarks, although, as I shall explain in a moment, leave this year is in some respects upon a more generous scale.

Following the conclusion of spring leave granted in 1943, an order (R.O. 3456) was issued providing for assistance to agriculture in two ways, (1) by granting compassionate farm leave to enable soldiers to return to their own or to the farm of their immediate family, where hardship would otherwise ensue, and (2) by detailing soldiers for farm duty in circumstances of emergency. It was decided to amend this order and to provide, in addition to the leave which may now be granted under it, for the granting of spring and harvest leave at appropriate seasons.

In the spring of 1943, seeding leave might be granted to the following:

(a) Personnel on strength of home war establishments of district depots, i.e., the members of the administrative and training staffs.

(b) Other personnel on strength of district depots, excluding those awaiting dispatch to basic training centres or awaiting allocation after completion of advanced or trades training.

(c) Personnel of the Veterans Guard of Canada who had completed their training.

(d) Personnel of operational units up to a limit of 5 per cent of the strength of such units and where the soldier applying had completed his individual training.

The order now provides that general service personnel who by age and pulhems profile are suitable for overseas service will not be eligible for spring leave.

Subject to this exception, spring leave may be granted not only to those on strength of the home war establishments of district depots, but also to those on the home war establishment of any unit. Other personnel on the strength of district depots, except those awaiting dispatch to training centres or schools, will be eligible, as well as will also personnel of the Veterans Guard of Canada and personnel on strength of operational units, as was the case last year, but the restriction to five per cent of those on strength of operational units to whom leave may be granted has been removed.

The period for which leave may be granted has been increased from six weeks to two months.

As was the case in 1943, applications for spring leave will be submitted by the soldier to his commanding officer and by him, in turn, to the general or district officer commanding concerned, who has been authorized to grant the leave in appropriate cases. It should, however, be distinctly understood that the leave to be granted under this order, as in every other type of leave, is subject to the exigencies of the service and can be granted by general or district officers commanding only if, in their opinion, essential army activities will not be substantially interfered with.

I have indicated that routine order No. 3456 has been amended in order to set out the terms upon which farm spring leave for 1944 is to be granted. I have here an office consolidation of the order with all amendments to date and, in order that hon. members interested may have available in convenient form information with regard not only to the granting of spring leave, harvest leave, and compassionate farm leave but also information as to the circumstances in which soldiers may be required to perform farm duty, I would ask leave of the house to table order No. 3456 as amended and to have it printed in *Votes and Proceedings*.

Mr. DOUGLAS (Weyburn): Will the government pay all or any part of the transportation expenses of these men, to enable them to return home to do farm work? If a man has to go from one end of Canada to the other he cannot earn enough in two months to compensate him for the journey.

Mr. MACDONALD (Halifax): There is provision in the order with respect to transportation. The soldier must pay his own transportation.

Mr. GRAYDON: The cost of transportation is to be borne by the soldier?

Mr. MACDONALD (Halifax): Yes.

Mr. GRAYDON: Will there be any provision for extension of the leave given under this new policy? I am not sure whether it was last year or the year before, but I remember that one year farm operations were retarded because of weather, and as a result a good deal of difficulty was experienced in

this connection. I was wondering if there was any provision with respect to the extension of the leave, or if this is a rigid regulation.

Mr. MACDONALD (Halifax): Although there was no express provision in the order, last year extensions were granted in certain cases. In the present order there is no express provision dealing with that point; in that respect it is exactly the same as the order of a year ago. If in a special case a soldier applies for an extension of leave, and can show a good case, I presume his application would be granted; but the order authorizes only the specific leave of two months, which is considered ample in ordinary circumstances.

Mr. GRAYDON: But there is nothing to prevent an application for extension?

Mr. MACDONALD (Halifax): No.

Mr. HATFIELD: Is the soldier allowed to retain his uniform and other clothing?

Mr. SPEAKER: The parliamentary assistant mentioned his desire to have the order appear in the *Votes and Proceedings*. If it would serve the purpose I think it would be better if it appeared in *Hansard*.

Mr. MACDONALD (Halifax): There is a provision in the order with respect to the matter mentioned by the hon. member for Victoria-Carleton (Mr. Hatfield). Perhaps it would save time if he read it himself.

Mr. WRIGHT: When the soldier makes application to his commanding officer, has that officer the authority to turn down the application without submitting it to the district officer commanding?

Mr. MACDONALD (Halifax): No; as I understand it the application is submitted to the commanding officer, who forwards it to the district officer commanding or the general officer commanding, as the case may be.

Mr. DOUGLAS (Weyburn): With his recommendation attached?

Mr. MACDONALD (Halifax): Yes. This is the provision:

> Application for compassionate farm leave will be submitted in writing by the soldier to his commanding officer who will, after investigating, forward it, with his recommendation, to the G.O.C. or D.O.C. concerned.

Mr. DOUGLAS (Weyburn): I would ask the parliamentary assistant if the department will give consideration to making some contribution toward the cost of transportation of men who are a long distance from home. Otherwise this may not be of much value in many cases.

[Mr. Graydon.]

Canadian Army Routine Orders
No. 3456

APPLICABLE TO ACTIVE FORMATIONS, UNITS, AND PERSONNEL OF THE CANADIAN ARMY

Headquarters, Ottawa,
27th July, 1943.

3456—Compassionate Farm Leave, Spring Leave, Harvest Leave and Ordering Soldiers to Perform Farm Duty.

1. This Order supersedes all previous orders and instructions dealing with the subject of army assistance to agriculture. This Order is effective as from 31st July, 1943, and will remain in effect until further notice.

2. Seasonal conditions have created unusual difficulties in connection with agriculture. It is desired in cases of genuine merit that the army give such assistance as is possible consistent with army responsibilties.

3. Such help as can be given is made much more effective if given promptly and it is, therefore, desired to make the procedure as simple and direct as possible. Heretofore, frequent references have had to be made to N.D.H.Q. in order to ensure uniformity of treatment across the country. It is felt, however, that the G.O's. C.-in-C. and the D.O's.C., being on the ground and having now had good experience in connection with requests for agricultural help are in a position to appraise the circumstances.

4. It has, therefore, been decided to put the matter in the hands of the G.O's. C.-in-C. and the D.O's.C., subject to certain necessary general principles. They are relied on to exercise sound judgment so as to help meet the immediate situation created by abnormal seasonal conditions whenever and wherever that can be done without substantial interference with essential army activities.

5. Types of aid:

Assistance to agriculture will be given in the following ways:—

(a) By granting of leave (known as Compassionate Farm Leave) to certain personnel under administrative provisions as outlined in Appendix "A" to this Order;

(b) By the detailing for duty on farms (to be known as Farm Duty) of certain designated personnel under the authority of P.C. 5931, and under administrative provisions as outlined in Appendix "B" to this Order.

(c) By granting of leave (known as Spring Leave or Harvest Leave, whichever may be applicable) to certain personnel under the administrative provisions outlined in the Appendix to this Order.

6. Principles Governing Grant of Aid:

There are certain principles which obtain in both the aforementioned cases:—

(a) It is not possible to allow personnel to help in farm work if such action would, in the opinion of the G.O.C. or D.O.C.,

result in substantial intereference with essential army activities. The G.O's.C. and D.O's.C., should, however, endeavour to adjust and re-arrange personnel and duties so that such essential activities can be carried on for the period of the absence of personnel on farm work;

(b) The farm must be a farm which contributes substantially to the national production over and above what is necessary for the occupants of the farm itself;

(c) It is not possible at this time, which is the best training season of the year, to release men who are actually in training from Training Centres, except in special cases of compassionate grounds as mentioned in Appendix "A" hereto.

7. Personnel Available:

Subject to the foregoing, the personnel from which assistance may be provided, are therefore:—

(a) Personnel in disposal wings of Depots;

(b) Personnel in home war establishments whom, by re-adjustment and re-arrangement, it may be possible to release for the time being. Regard shall be had to the continuing withdrawal of general service personnel for overseas duty;

(c) Personnel in operational units also, having regard to the continuing withdrawal of general service personnel for overseas duty;

(d) Personnel of the Veterans Guard of Canada.

8. Personnel Not Available:

The following, although elegible for Compassionate Farm Leave, shall not be available for Spring Leave, Harvest Leave or Farm Duty:—

(a) G.S. personnel who, by age and Pulhems Profile, are suitable for overseas service;

(b) G.S. or N.R.M.A. personnel who are in training stream at Training Centres or Schools.

9. Limitation as to number who may be granted Compassionate Farm Leave, Spring Leave, Harvest Leave and/or Detailed for Farm Duty.

Such numbers as G.O's.C. and D.O's.C. decide can be made available from any units in their command having regard to the exigencies of the service.

10. G.O's.C.-in-C. and D.O's.C. will detail suitable members of their staffs to consult with the director, Dominion-provincial farm labour committee of the province concerned with a view of arranging to carry out the letter and spirit of this Order.

11. The effective provisions of Order in Council, P.C. 5931 of 1943, are published for information as Appendix "D" to this Order.

(Effective 31st July, 1943.)

(H.Q. 54-27-55-4)

H. F. G. LETSON,
Major-General.
Adjutant-General.

Appendix "A"

COMPASSIONATE FARM LEAVE

1. To Whom Granted:

This leave may be granted to men for the purpose of working on farms owned by members of their immediate family where there would be undue hardship if the leave were not granted. This leave is applicable where the relative working the farm is, because of old age or disability, incapable of continuing to do so and, by reason of their enlistment or enrolment, there is no other member of the family available to assist.

2. Method of Application:

Application for Compassionate Farm Leave will be submitted in writing by the soldier to his Commanding Officer who will, after investigating, forward it, with his recommendation, to the G.O.C. or D.O.C. concerned. Such applications will not be referred to National Defence Headquarters. For the sake of uniformity, applications will be completed on M.F.M. 312 as amended to suit the circumstances.

3. Duration and Renewal of Compassionate Farm Leave:

The G.O.C. or D.O.C. may authorize leave for period applied for or such period as he deems advisable, but not to exceed six months. Subject to the exigencies of the Service, the same officers may grant extensions for such periods not exceeding six months as they may consider advisable.

4. Investigation of Necessity for Leave:

The facilities of the N.S.S. Mob. Board, D.B.T., R.C.M.P., Auxiliary Services, or any Provincial, Municipal or Civic Organization may be used to investigate statements submitted on behalf of the applicant whenever the G.O.C. or D.O.C. considers it to be necessary or desirable.

5. Transportation and Clothing:

The Department of National Defence will supply a suit of overalls and free transportation and meal tickets to all soldiers proceeding on Compassionate Farm Leave. Free return transportation shall be limited to destinations not more than 500 miles distant from the soldier's station and if the destination is more than 500 miles from the soldier's station, he shall furnish his own transportation in excess of the 500 miles distance. The Department of Labour will pay the Department of National Defence the cost thereof on demand.

6. Pay and Allowances:

Compassionate Farm Leave will be without pay of any kind or allowances of any kind, or subsistence, and soldiers will not be entitled to medical or dental attention, hospitalization, or compensation due to illness, injury or death while on Compassionate Farm Leave.

7. Transfer to Depot in Certain Cases:

Personnel granted leave in excess of thirty-one days will be transferred to the District Depot of the Military District in which such leave is to be spent provided, however, that such transfer will be made effective the day following the commencement of leave. On such transfer the documents and other correspondence pertaining to the leave will be despatched

immediately to the appropriate District Depot, to which Depot the soldier will report on the expiration of his leave when he will be medically examined and if found fit, will be completed with clothing and equipment and will be either despatched with his documents to his former unit or otherwise disposed of by the District Officer Commanding.

8. Clothing, Equipment, etc., on Proceeding on Compassionate Farm Leave:

Where a soldier is granted leave up to but not exceeding 60 days under the provisions of this Order, he will be permitted to take with him necessary clothing and uniform. Except when specially authorized otherwise by the G.O.C. or D.O.C. concerned, he will only be authorized to wear his uniform while travelling to the place where he will reside during leave, and while returning from such place on the expiration of his leave. The cost of making good any deficiency in clothing or equipment issued to the man as shown on his M.F.C. 800, before proceeding on leave, or found to be deficient on his return from leave, will be recovered in the usual manner. Where leave for any period exceeding 60 days is granted, uniform and clothing will be worn only when authorized by the G.O.C. or D.O.C. When not so authorized, the man's uniform and clothing, and in all cases his equipment, will be returned to stores before the man proceeds on leave. The man will be responsible for providing any civilian clothing he may require when proceeding on leave.

9. Furlough Form to be Furnished Soldier Proceeding on Compassionate Farm Leave:

Before proceeding on leave the soldier will be given Furlough Form M.F.B. 322, with those portions of instructions on reverse side thereof which deal with dress and medical attention while on leave, struck out and initialled by the officer authorized to issue same. The soldier will be given explicit instructions in writing from his Officer Commanding which will include:

(a) Conditions governing wearing of uniform;
(b) Cessation of pay and allowances;
(c) His being subject to recall at any time on 48 hours' notice;
(d) His non-entitlement to dental and medical care during leave;
(e) When and to whom, and how to apply if extension of leave required;
(f) When, where, and to whom to report on expiration of leave required;
(g) The necessity of obtaining his Commanding Officer's permission (under Routine Order No. 2242) to marry to be eligible for Dependents' Allowance on return from leave.

10. Medical Examination of Soldier Proceeding on Compassionate Farm Leave:

If the period of leave exceeds 60 days, the soldier must be medically examined before proceeding on, and again after return from such leave. Should a soldier die, or be killed while on leave, either during or as a direct result of his employment but not otherwise, he will be entitled to a military funeral as a soldier in accordance with Article 220 of F.R. & I. (Canada).

[Mr. Graydon.]

Appendix "B"

1. Reason for Detailing:

In order to meet the present emergency and in addition to the granting of Compassionate Farm Leave, men may be directed to work on farms under arrangements to be made by G.O.'s.C. and D.O's.C. with Director, Dominion-Provincial Farm Labour Plan.

2. Method of Requesting Soldier for Farm Duty:

Requests for soldiers for Farm Duty will be made in writing by the Director, Dominion-Provincial Farm Labour Plan, to the G.O.C. or D.O.C. concerned. The requests will outline clearly the number of men required, the nature of the work and the rate of pay. They will also indicate clearly to what destination return transportation is required. Upon receipt of the aforesaid, the G.O.C. or D.O.C. may detail the soldier for the duty as requested in accordance with P.C. 5931 dated 24th July, 1943, and will supply the soldier with return transportation to the destination named and meal tickets while travelling, without charge to the soldier.

He will also supply the soldier with a suit of overalls without charge to the soldier. The G.O.C. or D.O.C. will supply the said Director with information from time to time as to the names, units, etc., of personnel detailed for Farm Duty. The said Director will keep the G.O.C. or D.O.C. informed at all times as to the address of the soldier and with the name of the farmer on whose farm the soldier is performing Farm Duty.

3. Priority of Employment:

Questions on priority of employment as between individuals or groups of individuals seeking to obtain soldiers for Farm Duty, as aforesaid, shall be settled by the Director, Dominion-Provincial Farm Labour Plan.

4. Who May be Detailed for Farm Duty:

The personnel from which assistance may be provided are:—

(a) Personnel in disposal wings of Depots;
(b) Personnel in Home War Establishments whom by readjustment and rearrangements, it may be possible to release for the time being. Regard shall be had to the continuing withdrawal of General Service personnel for overseas duty;
(c) Personnel in Operational Units, also having regard to the continuing withdrawal of General Service personnel for overseas duty;
(d) Personnel of the Veterans Guard of Canada.

5. Who May Not be Detailed for Farm Duty:

The following, although eligible for Compassionate Farm Leave, shall not be available for Farm Duty:

(a) G.S. personnel who, by age and Pulhems Profile, are suitable for overseas service;
(b) G.S. or N.R.M.A. personnel who are in the training stream at Training Centres or Schools.

6. Period of Duty and Renewals:

Normally the period of absence of such personnel from their Units will not exceed 30 days, but in exceptional cases, the G.O.C.-in-C. or D.O.C. may authoribe such reasonable extension as they may see fit.

7. Provision of Transportation and Clothing:

As above stated, the Department of National Defence will supply free return transportation, meal tickets and a suit of overalls to all soldiers proceeding on Farm Duty, but the farmer will supply his board and lodging for the period of employment. The Department of Labour will pay to the Department of National Defence the cost of transportation, meal tickets, and suit of overalls on demand.

8. What the Farmer Will Pay:

The Department of Labour will pay to the Department of National Defence for each day a soldier is employed the minimum daily rate per soldier hereinafter set forth:—

(a) Western Canada, to include Military Districts No.'s. 10, 12, 13, and Pacific Command—$4 per diem;
(b) That portion of Ontario which is not included in Military District No. 10—$3.50 per diem;
(c) Quebec, and the Maritime Provinces—$3 per diem.

These rates are subject to any justifiable revision upwards depending on the local circumstances to be determined by an agreement between the Director, Dominion-Provincial Farm Labour Plan, and the G.O.C.-in-C. or D.O.C. concerned. Ordinarily soldiers will not work on Sunday. If, however, it is necessary to work on Sunday, soldiers so working shall receive the same remuneration as for any other day. The Department of Labour will arrange with the farmer to supply board and lodging to the soldier without expense to the soldier.

9. Pay and Allowances of the Soldier:

Personnel detailed for Farm Duty shall continue to be credited with their normal pay and allowances including trades pay and Dependents' Allowance, if payable, but not including subsistence allowance. Upon the termination of such employment, if the amount payable by the farmer to the Department of Labour in respect of the services performed by the soldier exceeds the amount of the aforesaid pay and allowances, the amount of such excess shall be payable to such soldier. This excess will be credited through the Paymaster's accounts of the soldier concerned at the termination of the period of employment under arrangements to be made by the Paymaster-General.

10. Method and Responsibility of Accounting:

It shall be the duty of the Director, Dominion-Provincial Farm Labour Plan, to keep regular time sheets on a pro-forma in quintuplicate to be supplied by the D.O.C. and at the expiration of the employment to obtain the signature of the farmer and the soldier certifying as to the accuracy of the time, rates, etc. These time sheets shall be certified as correct by the said Director and three copies shall be forwarded to the District Paymaster of the District to which the personnel belong, one copy being left with the farmer and the other copy being retained by the Director. The District Paymaster shall make the following distribution of the three copies of the time sheets:—one copy to the Unit Paymaster, two copies to the District Treasury Officer for transmission to the Chief Treasury Officer at N.D.H.Q. The Paymaster-General will issue appropriate accounting instructions and will attach thereto the pro-forma and the time sheet to be taken into use as referred to above.

11. Collection of Accounts from Farmers:

Collection of accounts from the farmers will be made under arrangements to be formulated by the Department of Labour and are not to be collected by the soldier or by any other member of the Department of National Defence.

12. Medical and Dental Treatment, etc.:

Personnel detailed for Farm Duty shall continue to be entitled to medical and dental treatment, hospitalization and all benefits on the same basis as though they were performing ordinary military duty. In the event of illness or injury of the soldier the Director above referred to shall immediately get in touch with the G.O.C. or D.O.C. and arrange for medical attention or hospitalization. In emergency cases the nearest medical assistance will be called. It is of importance however that Medical Officers shall be called and that Military Hospitals shall be used where possible.

Appendix "C"

SPRING LEAVE AND HARVEST LEAVE

1. To Whom Granted:

This leave may be granted to such personnel of the army as can be spared for the purpose of sowing crops, harvesting and seeding in spring or harvest operations, provided, however, that only soldiers having actual experience in farm work will be eligible and such leave will be limited strictly for the purposes its name implies.

2. Method of Application:

Application for spring or harvest leave will be submitted in writing by the soldier to his commanding officer, who will, after investigating, forward it with his recommendation to the G.O.C.-in-C. or D.O.C. concerned. Such applications will not be referred to N.D.H.Q. For the sake of uniformity, applications will be completed on M.F.M. 312, as amended to suit the circumstances.

3. Duration of Spring or Harvest Leave:

The G.O.C.-in-C. or D.O.C. concerned may authorize leave for a period not exceeding two months and may make such investigations as he may deem necessary before approving the same.

4. Transportation:

The cost of transportation will be borne by the soldier.

5. Pay and Allowances:

Spring or harvest leave will be without pay of any kind or allowances of any kind or subsistence and soldiers will not be entitled to medical or dental attention, hospitalization or compensation due to illness, injury or death while on Spring or Harvest Leave.

6. Transfer to District Depots in Certain Cases:

Personnel granted leave in excess of thirty-one days will be transferred to the District Depot of the Military District in which such leave is to be spent provided, however, that such transfer will be made effective the day following the commencement of leave. On such transfer the documents and other correspondence pertaining to the leave will be despatched immediately to the appropriate District Depot, to which depot the soldier will report on the expiration of his leave when he will be medically examined and if found fit, will be

completed with clothing and equipment and will be either despatched with his documents to his former unit or otherwise disposed of by the District Officer Commanding.

7. Clothing, Equipment, etc., on Proceeding on Spring or Harvest Leave:

Where a soldier is granted spring or harvest leave under the provisions of this Order, he will be permitted to take with him necessary clothing and uniform. Except when specially authorized otherwise by the G.O.C.-in-C. or D.O.C. concerned, he will only be authorized to wear his uniform while travelling to the place where he will reside during leave and while returning from such place on the expiration of his leave. The cost of making good any deficiency in clothing or equipment issued to the soldier, as shown on his M.F.C. 800, before proceeding on leave, or found to be deficient upon his return from leave, will be recovered in the usual manner.

8. Furlough Form to be Furnished Soldier on Proceeding on Spring or Harvest Leave:

Before proceeding on leave the soldier will be given Furlough Form M.F.B. 322, with those portions of instructions on reverse side thereof which deal with dress and medical attention while on leave, struck out and initialled by the officer authorized to issue same. The soldier will be given explicit instructions in writing from his officer commanding which will include:—

(a) Conditions governing wearing of uniform;
(b) Cessation of pay and allowances;
(c) His being subject to recall at any time on 48 hours' notice;
(d) His non-entitlement to dental and medical care during leave;
(e) When and to whom, and how to apply if extension of leave required;
(f) When, where, and to whom to report on expiration of leave required;
(g) The necessity of obtaining his commanding officer's permission (under C.A.R.O. 2242) to marry to be eligible for dependents' allowance on return from leave.

9. Medical Examination of Soldier Proceeding on Spring or Harvest Leave:

As the period of spring or harvest leave authorized does not exceed sixty days, no medical examination will be necessary before proceeding on such leave. Should a soldier die or be killed while on leave, either during or as a direct result of his employment, but not otherwise, he will be entitled to a military funeral as a soldier, in accordance with Article 220, F.R. & I. (Canada).

Appendix "D"

ORDER MADE UNDER P.C. 5931 OF 1943

(Referred to in para. 5 (b) of R.O. 3456)

1. All members of active units and formations of the military forces of Canada including persons who pursuant to the provisions of the National Resources Mobilization Act are attached thereto or are serving therewith may, on the order of the appropriate military authorities, be required to perform services and duties relating or in any way pertaining to the development, operation and maintentance of ranches, farms and gardens and the stock, buildings and equipment thereof.

2. All orders given or issued by the appropriate military authorities pursuant to the provisions of this Order shall be deemed to be lawful orders given by a superior officer, disobedience of which shall constitute an offence under Section 9 of the Army Act and said Section shall, as a part of the law of Canada, be construed accordingly.

3. All members of the Military Forces of Canada performing services or duties relating or in any way pertaining to the development, operation or maintenance of ranches, farms or gardens and the stock and equipment thereof, pursuant to the provisions of this Order shall for the purposes of the Pension Act, The National Resources Mobilization Act, the Militia Act, the War Measures Act and all Regulations and Orders made thereunder, be deemed to be performing military training, service and duty as prescribed therein.

4. The Minister of National Defence and the Minister of Labour are hereby authorized and directed to make all necessary financial arrangements relating to the employment of members of the Military Forces of Canada on ranches, farms or in gardens pursuant to the provisions of this Order including the charges to be made therefor and the disposal of the funds realized thereby. Each member of the Military Forces of Canada, while performing such services or duties as are mentioned in this Order shall continue to receive his military pay and allowances, including Dependents' Allowance. Upon the termination of such services or duties, if the amount of the charges so arranged by the Ministers of National Defence and Labour as being payable in respect of his performing such services or duties exceeds the amount of the aforesaid military pay and allowances, the amount of such excess shall be payable to such members.

WAR APPROPRIATION BILL

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

The house resumed from Friday, March 17, consideration in committee of a resolution to grant to His Majesty certain sums of money for the carrying out of measures consequent upon the existence of a state of war—Mr. Ilsley—Mr. Bradette in the chair.

DEPARTMENT OF TRANSPORT

Mr. HOWE: Mr. Chairman, having given the committee a statement on civil aviation I now desire to place before it the war estimates of the air services branch of the Department of Transport, for which I am responsible. The estimates this year for this branch total $6,501,735 as against last year's estimates which totalled $6,885,085. These estimates are broken down into three items, one for radio services, the second for meteorological services, and the third for civil aviation. I will now table these and ask that they be printed in *Hansard*, with copies distributed to hon. members for the purposes of this discussion.

The CHAIRMAN: By unanimous consent.

The items follow:

Air Services Branch—Department of Transport
War Expenditures and Estimates

	(1) Estimated requirements 1943-44	(2) Estimated expenditure 1943-44	(3) Estimated requirements 1944-45
1. Radio services	$2,458,925	$2,086,000	$2,666,045 (Revote 97,000)
2. Meteorological services	1,432,860	1,432,860	1,670,480
3. Civil aviation:			
Extra airport traffic control systems	680,000	680,000	736,450
Operation and maintenance of municipal (terminal) airports	336,600	336,600	398,260
Additional facilities—Moncton to Newfoundland airline	976,700	976,700	130,500 (Revote 78,500)
Improvements to airports	800,000	800,000	500,000
Canadian government transatlantic air service	200,000	200,000	400,000
	$6,885,085	$6,512,160	$6,501,735

Mr. STIRLING: Is this a portion of what appeared under Munitions and Supply in the statement of the Minister of Finance on February 11? Is this part of the $183,000,000 which is the share of the Minister of Munitions and Supply of the large total?

Mr. HOWE: No; there is a separate item under the Department of Transport dealing with the war estimates of that department, and these are the items included in that estimate.

Mr. KNOWLES: The subject with which we are dealing at the present time is recognized by all hon. members as of great importance—

Mr. GRAYDON: On a point of order, Mr. Chairman, I take it that the hon. member for Winnipeg North Centre is about to commence a discussion with respect to the air services branch of the Department of Transport. Before that is done I should like to make clear the position of the opposition as to the matter of procedure, and the sequence in which the departments are taken up under the war appropriation bill. I want to raise objection to what is being done, having in mind the statement of the government on Friday in connection with this matter. It was my understanding that the Department of Munitions and Supply would go on to-day, and I took it for granted that the minister would make his ordinary statement in connection with his department. As a matter of fact I think I am supported in that by the exchange which took place between the hon. member for Yale (Mr. Stirling) and the Prime Minister (Mr. Mackenzie King). At the conclusion of the statement of the Minister of Munitions and Supply I find this, as reported at page 1587 of *Hansard:*

Mr. Stirling: The understanding was that this matter would be set aside to a future date so that it could be digested before the discussion continued.

The Prime Minister then indicated that that was a correct interpretation of the situation. Then when the business of the house was under discussion the whole question with respect to the ministry of munitions and supply was indicated as the procedure for to-day. Upon that basis our arrangements were made. To say the least I think it is unfair to ask us to go on with the discussion with respect to civil aviation, and I say that for one or two reasons which I believe will at once be understood and appreciated. First of all, this is the next sitting day after the day on which one of the major statements of the whole session was made. That statement involves one of the most important pieces of government policy so far announced. In addition to that, the report of Trans-Canada Air Lines was tabled to-day and referred to one of the committees of the house, but we have not yet seen it. Besides, we have now before us, for the first time, placed upon *Hansard* by the minister himself, the estimates for the air services branch of the Department of Transport.

I believe the committee will see clearly that to ask us to go on without any notice having been given is not fair. I would ask the government to review the position in order that at least there might be an opportunity to give closer study to one of the major matters being brought forward by the government. The Prime Minister will perhaps be the first to recognize the justice and wisdom of my suggestion. We do not ask for any lengthy period of time, because I do not think that would be proper. The matter should be discussed as early as possible. On the other hand I ask the Prime Minister if he will not consent to have the matter laid over, so that we may have an opportunity to give it some study before we are asked to take part in the debate.

Mr. MACKENZIE KING: My recollection as to what was discussed with my colleagues

in the matter of procedure was that it would be advisable to have the statement by the minister with respect to civil aviation made one week, and have the debate thereon the following week. In that way we would be sure to give the opposition over the week-end time to go carefully into the statement the minister might make. All hon. members will have assumed that at some time during the session there would be a debate on civil aviation. We had in mind that in addition to what they might have intended to say, hon members would wish to review carefully the minister's statement. For that reason it was decided not to go on with the debate in one week, but to leave it over until the following week.

I notice, in looking at *Hansard* for March 16, that I said as reported at page 1514:

If I may, I would change that order now,—

Referring to something that had been arranged.

—and say that to-morrow the Minister of Munitions and Supply will make a statement with respect to civil aviation, and that he will not follow either this afternoon or this evening the Minister of National Defence for Naval Services.

At the conclusion of that discussion the minister said:

No. The intention was to give the statement on Friday, and the debate may go on on Monday, or later.

So that the minister had mentioned that the debate would go on on Monday.

Mr. GRAYDON: "Or later."

Mr. MACKENZIE KING: Yes, or later. That is always a proviso. We were not committed to any particular order of procedure. Something might have prevented the debate from going on to-day—for example, moving into supply, if it had been decided to go into supply first of all.

On Friday, March 17, the hon. member for Yale is reported to have said:

The understanding was that this matter would be set aside to a future date so that it could be digested before the discussion continued.

Mr. Mackenzie King: That is correct.

That was on Friday. On Friday evening, the Minister of Pensions and National Health (Mr. Mackenzie) said:

On Monday we shall take up first of all the resolution on the war appropriation and the estimates of the Minister of Munitions and Supply, and we may call two items in order of supply during the day.

So that really there has been an effort to anticipate the point my hon. friend is now raising, namely that of not proceeding with the debate without giving ample opportunity for careful consideration of the minister's statement. Earlier to-day, replying to the hon. member for Temiscouata (Mr. Pouliot), I pointed out that it is very difficult so to plan as to suit the convenience of hon. members at all times. I have in mind, in connection with proceeding to-day, what I think hon. members will realize is an important aspect of the situation, namely that we have only two more weeks of sittings of the house before the adjournment for Easter recess. I am sure that if at all possible it would be advisable to have assent given to the war appropriation bill and one or two other measures before that adjournment. That is the reason the government is anxious to hold to the order of procedure as announced. Perhaps it would suit the convenience of my hon. friend and his friends if we allowed the debate to proceed for a time. It might be adjourned at six o'clock, and we could take up something else this evening, and later continue the discussion on civil aviation—say to-morrow.

Mr. GRAYDON: I would not have raised the matter at all had it not been for the fact that there was a good deal of confusion with respect to the business of the house, as indicated on Friday night. It was not clear to me, and I think perhaps it would not be clear to the Prime Minister, either, because it is not indicated that the Department of Transport, which covers the civil air services, would be before us to-day. The very fact that the Minister of Munitions and Supply said that it would be Monday, or later, indicated that the procedure would be through agreement with us. We assumed the minister would go on on Thursday with his statement. Then the Prime Minister changed the order of business, and we raised no objection at that time because we expected we would have a somewhat longer time to study the matter. However we are cramped in the attention we wish to give to this important matter of civil aviation. Were there any possibility of delaying the war appropriation measure, I would not have made the suggestion; but there is no possibility of such delay, because it only involves the minister's going on with another item.

Mr. MACKENZIE KING: I believe the minister intends making an important statement—I do not know whether it will be lengthy or not—with regard to munitions and supply generally. I understand he would prefer to make that statement to-morrow. We might make it the first order of business at that time. I have suggested that this debate be allowed to proceed, because there are some

hon. members who are prepared to discuss the matter this afternoon. Discussion might be continued until six o'clock, and then this evening we could take up something else, thereby giving my hon. friend and his friends the opportunity they wish to have.

Mr. GRAYDON: Yes.

Mr. CRUICKSHANK: I wonder if the leader of the opposition—

Mr. KNOWLES: I would remind the committee that this is my speech.

Mr. CRUICKSHANK: Will the leader of the opposition inform the committee where he got his instructions as to the stand he is to take in this matter?

Mr. GRAYDON: I suggest that was somewhat uncalled for. My hon. friend is always fairly charitable toward me. I was called away on a rather sad mission on Friday, and it was not possible for me to be here. I am sorry he did not see fit to be a little more charitable in the observations he has just made.

The CHAIRMAN: If I may be allowed to make a statement: We have before us a summary of the air services branch, in which there are three items. I would ask the minister if we are to have the general discussion on the first item, or would it be on item 3, which has special reference to civil aviation?

Mr. HOWE: I think we could have a general discussion on item No. 1.

1. Radio services, $2,666,045.

Mr. KNOWLES: Mr. Chairman, I trust you will time me from this moment rather than from the moment I actually started, in view of the rather prolonged interruption. In this parliament we are dealing with a great many matters of extreme importance. Time will sort them out as to their relative significance. When that process has been completed I believe that the manner in which we deal with this question of air transport will loom large in the history of our time. it is only a few decades since the parliament of Canada was called upon to deal with matters pertaining to the rapid expansion of our railroad transportation facilities. I hope that we will avoid some of the mistakes that were made in those days and possess the imagination to sense what air transport will mean to civilization in Canada and throughout the world. I hope also that we will take the necessary steps to see to it that the full benefit of air transport is secured to the people of this country.

I should like to make a few remarks about the importance of air transport, dealing both with the domestic and the international fields. Domestically it is obvious that travel by air is revolutionary, but there are some other things we should not lose sight of. Travel by air to the extent to which it is now possible will add tremendously to the sum total of the goods and services we shall be able to produce in this country. In a real sense air transport adds to the wealth of Canada. If we properly develop our facilities for air transport it should make possible greater travel on the part of our people between the various sections of our country, and should aid us in our desire to increase the knowledge of our people about Canada as a whole and develop our sense of nationhood and national unity.

Air transport properly developed should bring to remote areas in our country medical and hospital services and facilities of the kind which have been denied to the people in those areas. With a little imagination we should be able to realize that the full development of air transport may have an important bearing upon industry and upon the housing situation in this country. In due course air transport may make it possible to decentralize industry to an extent not hitherto possible. It introduces a new factor into the economic picture so far as industry is concerned. It is possible that a different civilization may grow up because of this revolutionary development.

In this industrial age thus far it has been the practice to crowd people together in urban areas, with the resultant development of many bad features such as slum conditions and so on. We recognize the desirability of people being able to spread out into rural areas and get more fresh air and sunshine, and I think we should let our imagination bring home to us the fact that the proper development of air transport may make possible better housing and living conditions for our people right across the country.

Another feature of our life which will be affected by the full development of air transport is life in the north country. Up to the present Canada has been thought of as strip of country running across the northern border of the country to the south. It is only in recent years that we have begun to realize the potentialities of our north country, and I submit that the development of air travel will change those potentialities into realities.

On the international front it is recognized that this modern means of transport is of great importance. We can readily realize what air transport, if not properly controlled, may bring about in the way of unspeakable

horrors in future wars. On the other hand, air transport, properly controlled, can aid in the establishment of permanent peace. On the one hand, it can do that by increasing the sum total of goods and services, increasing the wealth available in the world and in that positive way helping to bring about a better world in which war may not have to take place.

On the other hand, in attacking this problem of international air transport there is the possibility of developing cooperation among the nations. This cooperation can be built up in a functional way, as has already been referred to, as well as by the development of realistic organizations for the establishment and maintenance of world peace. I submit, therefore, that on every count this subject is one of great importance.

On behalf of the group with which I am associated I wish to say without hesitation that we welcome the statement made on Friday by the Minister of Munitions and Supply. I shall have some things to say about it in a few minutes which are critical, but in the main my criticism will be that it does not go far enough. Before making that criticism I want to say again that we welcome the statement and commend the government for having made known its position. I shall deal first with the international aspect of the statement.

May I first voice the hope that on this issue parliament will indicate that it stands behind the government as far as it has gone in preparing a draft international agreement. When the government sends its representatives to any international conference they should know that they can press for the implementation of everything in this proposed international convention. They should know that if everything therein is adopted it will be supported by any succeeding government. As I have already indicated, my point is that the draft convention should go further but to the extent it does go it should have the support of all groups in this house.

Having made the statement that in my view the proposed draft convention does not go far enough, it becomes my responsibility to indicate wherein I think it falls short. May I say first that when one approaches the whole problem of international control of air transport there are some basic matters that have to be agreed to. I feel that the minister stated those basic matters quite clearly, particularly when he referred to the necessity of agreeing to the right of innocent passage, and freedom of transit, and also his further statement with reference to freedom of commercial outlet within the limitations of certain regulations.

It might not be amiss to take a moment to look at the alternatives to international control of air transport. As I see it, there are two alternatives, and they are both extreme. On the one hand there is the possibility of what is miscalled the freedom of the air, the proposed right of companies anywhere and everywhere to fly anywhere and everywhere. I submit that if that were the case not only would we in Canada suffer materially but it would lead to all sorts of exploitation and rivalry and would be the basis for further disastrous wars. The other extreme from what I have said is miscalled the freedom of the air is the concept of narrow nationalism, the idea, for example, that each nation should set up boundaries around its own territory and refuse to allow planes in from other countries. One can see on that basis that we should soon be sidetracked in Canada. We should lose the advantage of our otherwise favourable position; and here too you will have not only the restricting of the people of the world with regard to the advantages of air transport but a development of ill-feeling and again a basis for international ill-will. Therefore I think we should recognize at the outset that either one of those extremes is out, and certainly should be out so far as Canada is concerned. Our representatives should go into any discussion on this question pledged to the idea of the international control of air transport.

As I see it, when one starts to discuss international control of air transport there are various matters that have to be considered. I see those matters falling on three different levels. On the first level there are such matters as safety regulations, rules of flying, standards of aircraft, standards of competency of the crews, ground equipment, meteorlogical services, navigational aids, and so on. On the second level are matters relating to the licensing of air routes, the arranging for quotas, frequencies and rates, and also the whole concept of planning and fostering the development of various air routes in different parts of the world. I pause for a moment to suggest that because one uses the word "licensing" in that connection it does not mean that the second level function is merely a restrictive function. I emphasize the fact that on this level initiative can be taken for the fostering and the developing of lines for the good of the whole world. But in addition to these two levels there is a third, namely, the level of operation of international air trunk routes, and seeing to it that the operation of such trunk routes will secure not to the owners of one

company in one country but to the people of the world as a whole the full advantage of international air transport.

I think my criticism of the government's statement is obvious now that I have indicated these three levels. As I see the picture, the government has taken a fairly clear stand with respect to the matters which I say fall on the first and second levels. There are some details in the draft international air transport convention about which I shall make comments in a moment or two; but first of all I want to deal with the failure of the convention to refer to any of the matters which I have placed on the third level, namely, the level of international operation of international air transport. I should like to point out in that connection that my idea that this phase of the subject should be considered is not only ours but is contained in the statement which was issued by Australia and New Zealand on January 21, 1944. I should like to place on *Hansard* again one or two sections of the Australia-New Zealand agreement. Section 18 under civil aviation reads as follows:

18. The two governments declare that the air services using the international air trunk routes should be operated by an international air transport authority.

19. The two governments support the principles that

(a) full control of the international air trunk routes and the ownership of all aircraft and ancillary equipment should be vested in the international air transport authority; and

(b) the international air trunk routes should themselves be specified in the international agreement referred to in the next succeeding clause.

The point I wish to make in urging that this other phase of the subject should be considered is that I do not altogether agree with the statement of the minister, or with the parts that express the same thought in paragraph 3 of the summary or in article X, section 4 of the proposed convention, that it is of no concern to us who owns the lines from other countries which are participating in international air services. My contention is that if you have large private corporations from other countries participating in those international air services without an international air transport authority operating it, that authority merely licensing them, you have all the pressure of private ownership on rates to make all possible profit out of international air transport, and to that extent you have deprived the people of the world of some of the benefits of this modern means of travel which we feel should be secured to them.

I would point out also that under the terms of the draft convention we in this country would be putting public money into the providing of air fields and ground services of one kind or another for those international lines. I think it is of concern to us whether that is to result in increased private profit to privately owned companies in other countries, operating into Canada, or whether it is to result in increased benefit to the people of other countries and to the whole world. In other words, I want to urge upon the government that it should consider going a step further than it has in the agreement that has been tabled.

There are one or two points of detail in the draft convention that I should like to comment on briefly. For example, I feel that we should be given more detail as to the basis for determining the relative importance to each state of international air services and of each state to international air services. This matter is referred to in paragraph 4 of the summary, and also in article IV, section 1, of the convention, and article V, section 1 of the convention. On the basis of this relative importance will be determined the membership in the proposed assembly, the membership of the board, and the membership of the regional council. It should be readily seen that this is a matter of great importance, and I feel that more detail should have been given. Obviously the basis cannot be determined solely with respect to population, solely with respect to geographical size or geographical location. A great many factors enter into the picture. I repeat that some detail should have been given; that we should know just what the view of the Canadian government is on this matter.

Then with respect to trans-frontier services, or services between two contiguous countries, I feel that the convention leaves the matter not as clear as it might be. In some sections it says that services between two contiguous countries will be excepted from the provisions of this convention; in others it says that services between any two countries may be worked out by themselves subject to the provisions of this convention, including specifically the provisions with respect to licences. I am making two points in that connection: first, that the matter should be made clearer than it is; second, that two contiguous countries such as the United States and Canada should have a certain amount of latitude in making agreements for what are called trans-frontier services; at the same time they should be subject to review by regional councils such as are provided for in the convention. While it may seem logical for two

countries such as the United States and Canada not to be subject to such a review, if you allow these bilateral agreements all over the world you can very soon weaken the position of the regional councils and of the whole attempt to establish uniformity of service and standards throughout the world. If private firms in some countries are stumbling blocks in this matter and represent the reason why the government is a bit timid, I would urge that into a gathering of this kind governmental representatives should go, not with the compromise that they hope to come out with, but with the most desirable position, and if they have to compromise at least they will not have had to give away too much as a result of that situation.

I would therefore urge these points on the government with respect to the international aspect of this whole situation. Nevertheless I repeat what I said earlier, that as far as the draft convention goes—and I have not only digested it over the weekend but have enjoyed studying it—it seems to me it should have the support of this parliament.

May I now turn to the domestic side of the picture. I should like first of all to say that the pride which the minister expressed the other day in Trans-Canada Air Lines, especially his pride in its splendid record of safety, is one that is shared by the people of Canada from coast to coast. We are all very proud of our own Trans-Canada Air Lines.

With respect to the announcement that the minister made the other day to the effect that railway companies must within a year after the conclusion of the European war divest themselves of their air lines, I want to say that although I am no defender of the present government, the Minister of Munitions and Supply is to be congratulated on at last having lost patience with the Canadian Pacific in this matter. He put on *Hansard* facts which are the basis of his having lost his patience, if I may put it that way. First of all, the position which Canadian Pacific Air Lines now holds in this country has been made possible, not by the Canadian Pacific Air Lines, but in the first instance by the pioneering which was done by bush pilots down through the years. The minister pointed out that the Canadian Pacific was not in the picture for a great many years. It came along with its huge financial resources and was able to buy up all but one of the private companies in the field. As a matter of fact, I believe, the one which they did not buy up was not organized at the time Canadian Pacific Air Lines came into the field, less than three years ago.

The minister also pointed out the other day, although in this instance I do not know whether he was condemning Canadian Pacific Air Lines or condemning himself, that whereas Trans-Canada Air Lines has been unable to get additional transport planes during the course of the war, somehow or other it has been possible for the Canadian Pacific Air Lines to get additional planes because of the work that it was doing on the northwest staging route. I am still puzzled about that. I feel that the minister not only should condemn Canadian Pacific Air Lines for what they have done in this connection, but should answer the question why it was possible for them to get extra planes and at the same time not possible for Trans-Canada Air Lines to do so. I understand they now have more planes than Trans-Canada Air Lines has, and this at a time when the United States commercial air lines are operating their present services with little more than half the number of planes they had at the outbreak of the war. This is an example of the special privilege which this company has enjoyed, and it is on the basis of this special privilege that they have been able to build up the huge monopoly they have at the present time. Not only have they exploited the war situation in this way, but Canadian Pacific Air Lines is playing on sectional interests in various parts of the country, getting municipalities and councils to send in resolutions of one kind and another, and doing everything it can be threaten the position of our own publicly owned Trans-Canada Air Lines.

The Minister of Munitions and Supply has had long experience of this kind of thing. He did not lose his patience overnight. I was interested in reading the other day some of the debate in 1937, to find this from the minister, as reported in *Hansard* of that year, pages 2216 and 2217. The Minister of Munitions and Supply is speaking:

> The question now arises: Have we invited the private interests to participate? That question was asked. May I say we did not need to invite them. They came from every part of Canada and the United States, and put on the most persistent lobby in Ottawa that I have ever seen. The only way we could make progress was to absolutely refuse to talk to them. We said, "Go back home...."

I am glad, in view of the intervening experiences which the minister has had with private enterprise endeavouring to build up, on the basis of the efforts of little people, a huge monopoly, that the minister has taken the strong stand he has in this matter. Not only has Canadian Pacific Air Lines built up its strong position at the present time on the basis of the factors which I have laid down,

but it has done so with considerable government assistance. The minister mentioned the other day the part which air mail contracts have played in the development of air service down through the years, and not many days ago he gave figures as to the amount of government money which is going into the building of routes such as that from Edmonton to Whitehorse. He gave the figure at that time as about $46,000,000. In addition to that $46,000,000 of capital cost, I have here information which was given in sessional paper No. 213 of this year when I asked for the annual operating cost of the Edmonton to Whitehorse route and also the annual revenues from companies flying over that route. In 1943 it cost the government, to maintain that route, $337,835.63. The total amount of revenue which the government received from the only private company flying over that route, which was the Yukon Southern Air Transport Limited, fully owned by the Canadian Pacific, was only $30,276.05. In other words, there simply is no such thing as private enterprise in the field of air transport; what you have is the government providing the air fields, the air routes, the meteorological services and the other things which are necessary to make possible the flying of these planes, at almost no cost to the private company; you have the bush pilots of the early days developing these routes; and then you have private finance in the hands of the Canadian Pacific coming along at the last minute and cashing in on the whole works.

It is quite interesting to note, in a Gallup poll which was published just a day or two ago, some figures with respect to this whole question. I know that if the hon. member for Broadview hears me mention "Gallup poll" he will put in his crack about it. Nevertheless the figures are interesting. A vote was taken by these people as to what the Canadian public wants in regard to the ownership of airlines, and these were the figures: Government ownership, forty-four per cent; private ownership, eighteen per cent; a combination of both, twenty-eight per cent; undecided, ten per cent. If you take these figures, eliminating the ten per cent who do not know what they want and consider the rest, you find that only twenty per cent want unadulterated private ownership while the other eighty per cent want either government ownership or a combination of the two.

I suggest, therefore, to the Minister of Munitions and Supply and the government that they are moving in the direction of the thought of the Canadian people when they look away from private monopoly in air transport and toward the strengthening of the people's position as expressed in government ownership. But now, in spite of the fact that the minister has taken the stand he has, namely, that the principle of non-profit and non-competitive operation should rule in air transport, I am afraid that the proposal he made the other day, although we welcome it, does not go far enough. I refer to his statement that within a year after the war the Canadian Pacific Railway, for example, must divest itself of its ownership of airlines, and also his statement that from now on no licences to operate new routes will be given to any railway operating airlines.

That is good, but I cannot help reminding the committee of the fact that once upon a time the Aluminum Company of America found it necessary to divest itself of ownership of the Aluminum Company of Canada, and what did that mean? Simply, that it was transferred to Aluminium Limited, so that we still have the same people in the background operating what has become a world cartel and drawing to themselves the profits from that operation.

I suggest that this is the question to be looked at here. It is not good enough merely to tell the Canadian Pacific Railway that they must divest themselves of ownership of Canadian Pacific Air Lines. It will still be possible, under a separate name, for a private monopoly to be built up comprising the tremendous hold that Canadian Pacific Air Lines now have, which not only will challenge the position of Trans-Canada Air Lines but will interfere with the principle which I have said is important, namely, that we should secure for the people of Canada the full benefit of this modern development of air transport.

I say, therefore, that on this domestic front the government should go considerably further, and I would suggest at least two or three steps which in my opinion should be taken. I believe, for example, that the northwest staging route from Edmonton to White Horse and on into Alaska should be taken over and made part of Trans-Canada Air Lines because of the importance of that route in flying to Asia. Similarly, I feel that the route down the Mackenzie, because of its importance in the development of Canada's northland, where so much mineral wealth is located, which by the way is largely under the control of the Consolidated Mining and Smelting Company, with its Canadian Pacific Railway connection, should be nationalized and made part of Trans-Canada Air Lines. I would say the same about the route being developed to Labrador, which may become very important in the services to Europe.

If I had time I would make further suggestions along this line, but certainly I suggest that the government should take further steps toward nationalizing these sections of the present Canadian Pacific Air Lines.

There are other matters I should like to discuss but my time will not permit. However, I would express concurrence in the idea of setting up an air transport board, and I am particularly pleased at the fact that it is to be not just a judicial body, but one that is to act as an instrument of government policy, and that its purpose will be to develop and foster the extension of air services, air fields, air routes, research into new kinds of planes, construction and so on. That should be the function of such a body. It should not be just a judicial or restrictive organization but a body which in the name of the people of Canada takes the initiative to develop these modern means of transportation to see to it that its full and richest benefits shall come to and be secured to the people of Canada as a whole.

My time is just about up and I shall draw to a close, but before I do so I should like to quote from a gentleman who was a member of this house some years ago and who had some views on this subject. I refer to the then Right Hon. R. B. Bennett. Speaking in 1937 in the debate on the Trans-Canada Air Lines bill, as reported at pages 2210, 2211 and 2212, of *Hansard* of that year, these are some of the things that Mr. Bennett said:

> I submit that in the light of the experience we have had in this country, if we are going into this air line business, we should own it from the start and not later.

Mr. Woodsworth: Hear, hear.

Later on, Mr. Bennett had this to say:

> But I do now implore the minister not to part with this property. To-night the field is clear. To-night no franchise encumbers the ground. To-night we stand in a position to create by act of this parliament an enterprise that will have complete control of aerial navigation between the Atlantic and the Pacific. We have that right to-night. If we pass this measure—

That is, the bill in the form in which it stood at that time.

> —and hand this right over, not to the crown, but to a body of shareholders and provide that the crown may buy it back sometime in the future if it so desires, we shall be going in the wrong direction. I plead with the minister to reverse the process, to own the enterprise now, and sell it later, if he so desires. That is the difference between the minister's view and mine of the principles that underlie this measure. I make this suggestion to the minister not because I can be said to be one of those who believe in public ownership and control, for I have not that reputation, but because I have found by grim experience that the condition

> that now exists in Canada with respect to railroads has arisen in consequence of the blunder we made.

That was Mr. Bennett speaking.

> We cannot make a blunder if we keep what we have got, and what we have got to-night is control of the whole matter. It seems to me, therefore, wise to take initial steps to ensure that that control shall be retained by the action of this parliament and if we desire later to terminate it or to part with it, we may do so through an act of this house and as a result of the intelligent expression of opinion by members of parliament.
>
> I have no desire to go into the matter at greater length, nor do I wish at this moment to go into details, because that will have to be done in committee. But I do hope that the minister will not part with control as this bill provides—control which in my judgment is so essential to our success in view of all the difficulties that will confront us—and we shall then be in a position to cope with the situation in a manner that will be denied us if we adopt the principle of this measure.

As I understand it, Mr. Bennett was stating an obvious fact, that it is a great deal easier to hold on to what you have than it is to try to get it back afterwards, and I suggest to the minister and to the government that they have learned this from bitter experience even in the last year. It is less than a year since the Prime Minister made his very important statement of the government's policy with respect to civil aviation, at which time he made it clear that Trans-Canada Air Lines was to have the exclusive operation of Canada's main line services and also our international connections, but also at which time he said to private enterprise, "The whole north country is yours". In less than a year this private company has taken advantage of that position to build up this huge monopoly which challenges the position of the government to the point where, even against his will, the Minister of Munitions—I am assuming that it is against his will, although I cannot presume to know what goes on in his mind—has had to take this somewhat drastic action. I suggest that this shows what can happen in a very short time with these powerful monopolies. At the present time we have not lost it all. We own the route from Edmonton to Alaska and in certain other sections. There are areas where final franchises have not been given, where the whole question of what lines are to fly these international routes has not been finally settled. We have not lost this as yet; but if we carry on the policy of saying to private enterprise, whatever monopoly it may be, Canadian Pacific Air Lines or under some other name, "That field is yours," the day will come when we shall regret not having held on to what we have at this time. Therefore I plead with the government, in the domestic field as

on the international front, to look again at this whole programme as laid down in the statement made on Friday. It is good as far as it goes, and I hope we shall not hear from any part of this house any suggestion that the government should take any less of a step than it proposes. But I would urge that it consider going further, both internationally and domestically, along the lines I have suggested.

The CHAIRMAN: Shall the item carry?

Mr. GRAYDON: No, Mr. Chairman. The arrangement which came out of the exchange which took place a short time ago between the Prime Minister and myself was that this debate would be held over to give us an opportunity of continuing at a later date the general discussion in regard to civil aviation. As far as we are concerned that arrangement still holds; perhaps the minister would care to make some statement in that connection. That being so, I should like the opportunity of adjourning this debate, if that is the wish of the government at this time. I had rather thought some other hon. members would want to speak, but if not this would appear to be the only course open at the moment.

Mr. HOWE: I should like to make as much progress as I can without closing the debate on this item. Would my hon. friend object to going on with the war estimates, with the understanding that the last item will not be passed until the discussion has been concluded?

Mr. GRAYDON: I would have no objection, provided that our rights were reserved as far as a general discussion is concerned Perhaps that would take care of the situation. All we are anxious for is an opportunity to give some study to the general situation, but the items may be discussed, I suppose, as far as we are concerned.

Mr. COLDWELL: I think it is regrettable that we cannot go on with this discussion to-day, in order that the matter may be thoroughly considered by the committee. This matter of civil aviation has been before the house since February 11, on which date the statement was placed on *Hansard,* at page 400, and it seems to us that hon. members who wished to speak for particular parties in the house at least should have given the matter a good deal of consideration prior to this. I know we did.

Mr. GRAYDON: Is this a lecture the hon gentleman is giving us?

Mr. COLDWELL: No, I am not giving a lecture, but often I have to listen to lectures from the leader of the opposition, and I see no reason why I, as a member of this house, should not express my regret that the official opposition apparently has been unable to arrive at a decision regarding this particular matter.

Mr. GRAYDON: On a question of privilege, Mr. Chairman, I have seen the leader of the C.C.F. party play this old game of politics quite often, but I have never seen him in quite as good form as he is in to-day. When he suggests that the leader of the opposition or this group has not come to a decision with respect to this matter, I want him to withdraw that remark. As far as we are concerned I thought we had placed our position before the committee so clearly that even the hon. member would not be able to play politics with it. I ask him to go through *Hansard* for last Friday and see if he or anyone else in this house can find the slightest hint or indication that this debate was to be proceeded with this afternoon. If he can do so I might be prepared to accept some of his other statements, but in all fairness I think he must admit that there was tremendous confusion and conflict with respect to the matter.

Mr. COLDWELL: Like the leader of the opposition, I was not present when the statements were made on Friday evening. However, I do recall the statement on Thursday evening. As a result of that statement our party got together on Friday morning and discussed civil aviation, though we did not know what the minister was going to say that afternoon. The matter has been further discussed since that time, as should be quite evident from the comprehensive statement that has been made in behalf of this party, and before we came into the house this afternoon we discussed the matter further. I wish to say to the leader of the opposition that it seems to me unfortunate that we cannot proceed with this matter to-day as we had expected to be able to do. I must accept the word of the hon. gentleman that this is not because his party has been unable to arrive at a decision, but I think I have a right to draw my own conclusions as to what that reason may be, and I shall do so.

I just want to add that I think the hon. member for Winnipeg North Centre (Mr. Knowles) has placed our position before the committee clearly and ably. We do welcome this step. For a long time we have felt that future generations might regret it if we allowed the present situation in this country with regard to aviation to continue. This is a

new mode of transportation. Many of us in this house have done a good deal of flying at one time or another, and we realize perhaps more fully than a great many of the general public that to-day the safety, rapidity and comfort of air transport are bound to have a tremendous effect on the future development of transportation generally.

Another consideration I have in mind is that in this country we have a railway system owned by the people and another owned by a great corporation, the shareholders of which are very largely beyond our borders and the shares and securities of which may come into our hands at the conclusion of the war, thus giving us control of that other great transportation system. I have believed for a long time that while perhaps two well-established organizations within the same transportation field might engage, not in competition in the usual sense but in friendly rivalry, so that one form or one organization may become a yardstick for another form or another organization, yet in a country like this, with its great distances, with the necessity of transportation to join one part of the country to the other, it is essential that we should have a closely integrated and well-knit transportation system. I am pleased to see that the government intends to retain control of this great new facility. I was present the night the former leader of the opposition in this house, the Right Hon. R. B. Bennett, gave the warning which we can say to-day as we look back ought to have been heeded to a greater extent than has been the case. I am glad, therefore, to see that we have an opportunity now of controlling this great new form of transportation. Perchance, when the war is over, in the development of our country we shall have to consider ways and means of integrating all our transportation systems. I recall the years before the war when some hon. members talked about railway deficits, and when proposals were made to tear up railway lines, mostly lines operating under the Canadian National Railways system. We were asked then to relieve ourselves of the financial burden those lines involved when, at the same time, we saw growing up in this country other and unregulated forms of public transportation.

These were, of course, the buses and trucks. We now have transportation by air. My view has always been that our transportation system, in a country like Canada, ought to be intelligently operated and intelligently integrated. For example, trucks and buses ought to be feeders to the railways upon which, to a great extent, because of the heavy freight we must carry long distances, the economic life of this country must depend. That ought to be the situation, rather than have trucks and buses in disastrous competition with our railway systems. That means, of course, that if we are to have a desirable condition we must have the entire system under public rather than private control. The air arm, that great new field of transportation, most assuredly should be under national ownership and control now.

My colleague the hon. member for Winnipeg North Centre has spoken of the international importance of air transportation. I believe we have to consider it not only from the point of view of domestic convenience but also from that of national security and world peace. In the last generation we have had an opportunity to see how civil air transportation has assisted great nations to lay the foundations of military air power. Particularly was that developed in Germany. So that when the war came we found that through her civil air transportation system and the civil training of her young men in the operation of aeroplanes and gliders, she had a potential air force ready and willing to destroy the rest of the world.

Accordingly in the field of international air transportation it becomes apparent and, I think, important, that only public control should function. International cooperation does not mean, in reality, a diminution of national sovereignty. What it really means is, sometimes, the transfer—

Mr. MARTIN: The expansion of it.

Mr. COLDWELL: —of national sovereignty between nations, and an expansion of it into a larger and wider field, so that a nation may have a voice in something greater and larger than its own narrow domestic affairs. I think in the field of civil aviation we must have international understanding, international operation and international control. I should like to see the world go beyond where I think it can go to-day. I should like to see an international system owned internationally; but I realize that under present world conditions not only is that improbable but it is quite out of the question. Hence I believe we must have an intergovernmental regulatory body, one which will license and regulate and enter into arrangements with the nations, so that we may achieve the results we desire, namely efficient transportation, rapid transportation, comfortable transportation, safe transportation—and peace at the end of it all.

I am glad, too, that the minister spoke as he did on Friday. I believe he made the position clear in that regard—because Canada is in a strategic position. The airways of the world cross our country—the airways to Europe,

northeast and over the top of the world, or to the northwest, as we sometimes call it, again going near the cap of the world to Asia and into India. Those of us who have studied the new maps made in recent years showing the air routes of the world over the polar or arctic regions realize that instead of going in the direction in which we thought we should go, namely east or west, we went northwest, northeast, and sometimes even north to get to the places which seemed east or west of us.

As I say, Canada is in a strategic position. The airways to many parts of the world, from the great centres of population in North America to the continents of Europe and Asia, pass over this country. It is well, therefore, that an early start has been made by the government and by parliament in placing before other nations for their consideration the viewpoint—at least, I hope it is the viewpoint—of this entire country, regardless of our political affiliations. I should like to see our government extend air transportation as rapidly as possible into other parts of the world. As soon as we are able to do so, I should like to see Canada establish an air route to South America as well as to Europe and Asia. After all, we have much in common with the progressive peoples to be found in at least some of the South American countries, and there are advantageous trade relationships to be made between us. Therefore I welcome this step forward. I agree also with the criticisms which have already been made, but I think it is well that at this time we should face this great problem and let other nations of the world know where we stand.

In conclusion, may I say that Canada, as far as her population is concerned, is a small nation. But in the field of aviation she is a great nation—one of the three or four leading nations of the world. A great deal of pioneering has been done in Canada, and probably when the history of the war is written it will show that our greatest contribution will have been made in the air. Whether that be so or not, we have in Canada, I believe, a people who are air conscious to an extent greater than applies to people in most countries. We have tremendous opportunity in this field to wield an influence for good out of all proportion to our population or to our size. I hope we shall be able to make that position clear, and to maintain it when the time comes to negotiate agreements with other countries.

Mr. DOUGLAS (Weyburn): I understood the leader of the opposition to say that no arrangement had been made to discuss these items to-day. I find this at page 1624 of *Hansard* for Friday:

> On Monday we shall take up first of all the resolution on the war appropriation and the estimates of the Minister of Munitions and Supply, and we may call two items in order of supply during the day. If we do call them, they are on the Department of the Secretary of the State and civil estimates of munitions and supply. Possibly we may have to discuss further the civil estimates of agriculture, and the house must be prepared to take into consideration at any time Mr. Speaker's report on standing orders.

Mr. Stirling: May I ask what the minister means by saying that we might have to discuss two further items of munitions and supply?

Mr. Mackenzie (Vancouver Centre): It is the intention to call two new items.

Mr. Stirling: Apart from that, we are going into committee on war appropriations and take up munitions and supply?

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

Mr. GRAYDON: That is what we thought.

Mr. HOWE: Perhaps I can clarify this. I am rather surprised at the turn the debate has taken. I had regarded the hon. member for Lake Centre as the specialist on this particular subject. We have been corresponding since early last week, the last correspondence having passed on Thursday. I wrote to him on Wednesday and Tuesday, stating that I hoped to go on on Thursday; I wrote him on Thursday saying that I intended to make my statement on Friday and that the debate would take place on Monday. I understood that that arrangement was satisfactory to him because I received no reply. There was no doubt in my mind that hon. members would be prepared to carry on this debate to-day. Since they are not, perhaps we had better straighten out the future programme. I am willing to meet almost any request that is made, but I think we shall arrange it in this way: to-morrow when the orders of the day are called I shall make my statement on the Department of Munitions and Supply having to do with war supplies. We shall then discuss the items under that heading and when those are finished we shall return to the unfinished items under the present heading. I cannot say when that will be, but I hope no one asks me to change the programme again.

Mr. DOUGLAS (Weyburn): May I finish the suggestion I was making? This is transport, but the whole business of transport has been placed under the care of the Minister of Munitions and Supply. It was generally understood that we could discuss civil aviation which comes under his care, and then discuss the general aspects of the Department of Munitions and Supply after this discussion had been completed.

Mr. GRAYDON: It is not munitions and supply.

Mr. DOUGLAS (Weyburn): Certainly it is.

Mr. GRAYDON: It certainly is not. That is the problem; it should be transport.

Mr. DOUGLAS (Weyburn): It is the part of transport that has been transferred to the Department of Munitions and Supply.

Mr. GRAYDON: You do not transfer departments like that.

Mr. DOUGLAS (Weyburn): I do not think it would be wise to drop this discussion now and have the minister go into the general aspect of his department to-morrow after which we would have a general melee made up of both aspects of the programme. One hon. member will be discussing transport and another will be discussing munitions and supply. I suggest that we should let item No. 1, radio services, stand and then take up the other items. That would leave the leader of the opposition or whoever else is to speak for the official opposition an opportunity to come back to item No. 1. I think it would be better to discuss the other items and get them approved rather than to mix up civil aviation and munitions and supply.

Mr. GRAYDON: I think the minister and I are at one with respect to this. I agreed to go on with the items proposed, but the hon. member to my left says that that was not the arrangement. We are prepared to go on with the items as long as one is left so that there can be a general discussion later on. I do not think there is any disagreement on that.

Mr. HOWE: There is no particular reason why any particular item should be left. We can go on and pass No. 1, pass No. 2 and then discuss No. 3. There is no reason why this discussion should come under item No. 1, which is radio services; it might just as well come under item No. 3, which is civil aviation.

Mr. COLDWELL: It is understood then that civil aviation will be discussed separately from the other items?

Mr. HOWE: Yes.

Mr. COLDWELL: If we are to discuss other items and then come back to civil aviation and have them all mixed up, it will be most unsatisfactory.

Mr. HOWE: It is the place of the government to decide the order of business. At six o'clock we shall drop civil aviation and then go on with the discussion of munitions production. When we finish the munitions production discussion, we shall go back to civil aviation.

Mr. STIRLING: Now we are getting back to what was my understanding on Friday evening. Perhaps I may be allowed to run over the facts as I see them. Last fall the minister returned from the United Kingdom after holding important conferences there. I remember distinctly reading in the press that he had not brought back a draft agreement on this matter but that he would make a statement in the house, obviously after the house opened. Eight weeks have passed and at last we have had the minister's statement. When that statement was delivered we understood clearly that the debate would not then ensue. On Friday night the minister who was speaking for the government explained what the business to-day would be in such a way that I, who had taken it up with him, understood that we were going into other portions of the statement of the Minister of Munitions and Supply. It was not until just before I came into the house this afternoon that I heard that the government had changed its decision and wanted to proceed with civil aviation and permit a debate on the minister's important statement to take place. That change was not entirely convenient to members of the opposition. The arrangement to which the minister is now ready to agree is entirely in accordance with our understanding Friday night and I think it satisfactorily solves the whole matter.

Mr. KNOWLES: If the proposal made a moment ago by the minister is carried out, does it mean that at eight o'clock he will make a statement on other aspects of munitions and supply?

Mr. HOWE: No, to-morrow at three o'clock.

Mr. KNOWLES: What shall we do at eight o'clock tonight?

Mr. HOWE: I cannot say just what the exact programme will be.

Mr. MICHAUD: Possibly item No. 5 on the order paper, which is a resolution standing in the name of the Minister of Finance to raise money by way of loan. Then we shall possibly take up the estimates of the Department of Public Works.

Mr. KNOWLES: Civil supply.

Mr. MICHAUD: And then two items of supply, as announced on Friday night.

The CHAIRMAN: I agree with the statement made by the Minister of Munitions and Supply that we should discuss items No. 1 and 2 and then leave item No. 3, which is civil aviation. Shall I call item No. 1 for discussion?

Mr. KNOWLES: Just before you do that, I think someone should make it more clear what we are to take up at eight o'clock. I still do not understand the situation.

Mr. MICHAUD: I have stated that we shall take up item No. 5 on the order paper and then supply.

Mr. KNOWLES: What supply?

Mr. MICHAUD: Public works and then two items in departments not called yet, Secretary of State and Munitions and Supply civil estimates. That was announced Friday evening.

The CHAIRMAN: Item No. 1:

1. Radio services, $2,666,045.

Mr. GRAYDON: Does this item cover services supplementary to the general radio services?

Mr. HOWE: Yes, these estimates arise wholly out of the war. Many radio beams have been installed between military airports and to provide defence services on the coasts. These are operated by the Department of Transport for the military services. All the items under this heading will disappear when the war is over; they are for purely war services.

Mr. GRAYDON: There would be nothing under this item which would have to do with the short-wave system that is proposed?

Mr. HOWE: No; these are purely war estimates.

Mr. BENCE: Under what item could I discuss the radio service between Winnipeg and Edmonton?

Mr. HOWE: That is a civil item which will be introduced later.

Mr. ROSS (St. Paul's): The minister cannot say very much about these amounts, because they are secret?

Mr. HOWE: Yes; they cannot be discussed in detail, I am afraid.

Item agreed to.

2. Meteorological services, $1,670,480.

Mr. STIRLING: Is there any relationship between this and the meteorological service already carried on throughout Canada for purposes other than war?

Mr. HOWE: The situation is exactly the same. These are items that will disappear when the war ends. The services are installed wholly for war purposes.

Mr. STIRLING: They are not set up as separate stations from those in many instances already in existence and furnishing meteorological service, or are they entirely new stations set up for purposes of war?

Mr. HOWE: They are really expansions of that service for war purposes. When I said that all meteorological stations installed for war purposes would disappear as peace-time services I should qualify that, because we have extended the range of activities in that field and we might wish to retain the extended range. For instance, we have stations along the arctic.

Mr. JOHNSTON (Bow River): Would some of those be taken over by the Trans-Canada service?

Mr. HOWE: I might read what it covers: Meteorological services for (a) Trans-Atlantic ferry service with Dorval as the main centre. There is no civilian Trans-Atlantic line. The item includes teletype installed from Dorval to Newfoundland; (b) Eastern and western air commands and the fleet; (c) Northwest staging route from Edmonton or Vancouver through White Horse to the Alaskan boundary; (d) R.C.A.F. and R.A.F. transport command; (e) R.C.A.F. aeroplane ferry from Kapuskasing. These are services which may be replaced with services for other purposes, but at the moment they are part of the war service. For instance, the ferry command to the United Kingdom is a war service, and the meteorological service that accompanies it is also a war service.

Mr. FRASER (Peterborough West): These stations are built so that they can be taken over later on?

Mr. HOWE: Yes. They are civilian stations, operated by civilians. They are stations that would not be operated had the war not happened. As I say, we might operate them for another purpose after the war, such as the Atlantic ferry service. The only Atlantic ferry service Canada has to-day is a war service.

Mr. FRASER (Peterborough West): The minister mentioned the Edmonton-Alaska staging route. If that service is to be taken over by civil aviation you would need the stations, would you not?

Mr. HOWE: Yes. If there is a civilian plane service after the war, as I presume there will be, then this vote will be transferred to the civil vote and continued as civil aviation.

Mr. FRASER (Peterborough West): Would not a service like that help your navy and navigation generally after the war, especially if a new route is opened up and you have planes not only inside the coast but on the coast?

Mr. HOWE: I presume there will be a civilian service after the war. The point I am making is that there are no civilian services there to-day and therefore this comes under the war vote and not a civil vote.

Mr. FRASER (Peterborough West): The thought I had in mind was this: Have you in mind all the time that some of these stations will be taken over on a permanent basis?

Mr. HOWE: Yes. We are working with a single purpose in mind at the moment; we are working for war.

Mr. FRASER (Peterborough West): I know that.

Mr. HOWE: We are mindful of the fact that facilities installed for war will undoubtedly be required for peace.

Mr. NICHOLSON: Has the minister a break-down showing the cost of the service in the northwest staging route, and how much the Canadian Pacific Air Lines pay for the meteorological services supplied by the Department of Transport?

Mr. HOWE: The estimate for the meteorological work included in this item on the northwest staging route is $317,000. I may say that no one pays for weather service. Weather service is paid for by the government as a service to all aviation.

Mr. GILLIS: With respect to the minister's statement that the meteorological services would disappear after the war, may I say that I cannot see it in that way. I am interested in the Trans-Canada Air Lines plane service made available to Sydney since the war. That service serves the whole area around that section of the country. They land on a R.C.A.F. field which is a large well-developed field for war purposes. In effect the minister's statement is that that service would disappear when the war is over. That would mean a discontinuation of the Trans-Canada Air Lines plane service now available in that area because of the war.

Mr. HOWE: May I clarify that? My hon. friend is speaking of a service that is not included in this vote. That is a civil aviation service and it is paid for out of the civil vote. This is a war vote.

Mr. STIRLING: Does the item of $1,670,480 cover the purchase of a considerable number of instruments for this purpose?

Mr. HOWE: This is primarily the cost of operating.

Mr. STIRLING: Where would the instruments come in?

Mr. HOWE: Material, supplies and equipment, $157,000, are included in this item.

Mr. STIRLING: Is there a vote elsewhere for more instruments than the minister has just mentioned?

[Mr. Howe.]

Mr. HOWE: That is all. I can read the break-down of the item: salaries, $784,723; war duty supplement—I may say that applies to the war vote—$244,860; cost of living bonuses, $64,000; living allowances, $55,360; contributions to unemployment insurance fund, $5,000; weather observer contracts, $21,490; telephone and telegrams, $31,000; teletype, $110,000; travelling expenses, $32,000; printing and stationery, $28,000; materials, supplies and equipment, $157,000; construction, $59,000; freight, express and cartage, $62,000; sundries, $16,047. That makes a total of $1,670,480.

Mr. KNOWLES: In reply to the question asked by the hon. member for Mackenzie a little while ago the minister said that private air lines did not pay for meteorological services. May I ask on what basis payment is made to the government by private air lines over such a route as the northwest staging route? What services do they pay for in the figure that I gave earlier this afternoon? The figure I referred to for 1943 was roughly $30,000.

Mr. HOWE: Payment is made on the basis of a fee for each landing. Each time a plane lands at an airport it pays a fee for doing so. It also pays for the communication services from the plane to the ground; that is the telephone and telegraph services from the plane to the ground. Where the government owns the ground station, each message which it receives from a plane carries with it a fee. These are a means of obtaining revenue from privately-owned planes or Trans-Canada planes. All planes flying pay the same scale of fees.

Mr. STIRLING: I suppose one can say that the whole of the meteorological services in connection with such fields as Gander and Goose come under this vote?

Mr. HOWE: Yes.

Mr. STIRLING: What about those which were carried on for Hudson bay and Hudson bay strait and localities up there? Are they still carried on, and come under this?

Mr. HOWE: No; they come under a civil vote. If they were established before the early days of the war they come under a civil vote. It has been thought wise not to increase the civil vote by purely war expenditures. The purpose is, after the war is over, to consider what is then required as a permanent service and then to establish the civil vote. But the services which were in operation prior to the war are all charged to the civil vote.

Mr. ROSS (St. Paul's): Is all the information collected by the meteorological service—I mean from all over the place, civil facilities, the army, and the air force—gathered together and the results tabulated?

Mr. HOWE: Yes; all the meteorological data is gathered and supplied to one source and distributed from the one source. There is no division of the meteorological service.

Mr. GRAYDON: Perhaps under this item the question might be discussed as to the publication of weather forecasts across Canada. If my memory serves me correctly, at the beginning of the war weather forecasts were not made. Then some change was instituted which permitted certain localities to provide forecasts. I notice weather forecasts appear as a matter of course in practically every newspaper, at least newspapers which I happen to get in this district. Are weather forecasts made public generally throughout the country?

Mr. HOWE: Whether the weather forecasts can be made public is a security matter which is determined by the chiefs of staff of the armed forces. Weather forecasts in certain areas, particularly in the Atlantic, are of importance to the enemy.

Mr. NOSEWORTHY: I understand that some of the services included in this item are available to Trans-Canada Air Lines and to the Canadian Pacific as well as to the armed forces.

Mr. HOWE: Yes; they are available to anyone. All the information collected on weather is available not only to Canadians but to everyone in the United States. Similarly all the weather information which is gathered in the United States is made available to Canada. There is a constant stream of weather information going out to every air field in the country.

Mr. FRASER (Peterborough West): This is treated exactly the same as in the case of water navigation?

Mr. HOWE: Yes.

Mr. GILLIS: What percentage of the operating personnel included in this vote is civilian and what is in the services?

Mr. HOWE: All those under this vote are civilians.

Item agreed to.

8. Civil aviation:

Extra airport traffic control systems, $736,450; operation and maintenance of municipal (terminal) airports, $398,260; additional facilities, Moncton to Newfoundland airline, $130,500 (revote $78,500); improvements to airports, $500,000; Canadian government transatlantic air service, $400,000; total, $2,243,710.

Mr. STIRLING: Does the first of these items cover certain airports, traffic in certain airports, remembering always that it is the war expenditure portion of traffic control?

Mr. HOWE: The following is the estimate of the funds required for the operation of three airway traffic control centres and fourteen airport control towers and an interphone and teletype service to control and direct the movement of aircraft on the airways and on approaches to landing of the various terminal airports in Canada.

This service was inaugurated in 1939 as a protective measure for airline and Royal Canadian Air Force aircraft, but during the past years has been greatly extended to meet the increased requirements made necessary by: the enlarged training programme of the R.C.A.F.; the expansion of the ferry command services of the Royal Air Force, the Royal Canadian Air Force, and the United States Army Air Force; the increased activity of the air transport command of the United States Army Air Force; the operation of traffic control centres and airport control towers on a twenty-four hour basis; the extension of interphone and teletype installations to provide a continuous service covering approximately 5,500 miles of airways from Vancouver, British Columbia to Torbay, Newfoundland; from Edmonton to Lethbridge, Alberta; from Montreal to Quebec; from North Bay, Ontario to Winnipeg, Manitoba; from Winnipeg, Manitoba, via Saskatoon to Edmonton; from Toronto via Sault Ste. Marie to Winnipeg; also to points in the United States, to connect with circuits provided by the civil aeronautics division of the United States. Such teletype facilities to include service between Winnipeg, Manitoba, and Pembina, Minnesota; Edmonton, Alberta, and Coutts, Alberta; Vancouver, B.C. and Blaine, Washington. Airway and airport traffic control stations are located as follows: airway traffic control centres, Winnipeg, Toronto and Montreal; air traffic control towers, Vancouver, Lethbridge, Edmonton, Calgary, Regina, Saskatoon, Winnipeg, Windsor, North Bay, Toronto, London, Ottawa, Montreal and Moncton.

Mr. KNOWLES: Are you dealing with these subclause by subclause?

Mr. HOWE: Yes.

Mr. KNOWLES: I am waiting for No. 4.

The CHAIRMAN: I called the whole item, thinking the discussion would be general.

Mr. HOWE: Subclause 1 is carried, Mr. Chairman?

The CHAIRMAN: Subclause 1 is carried. We shall now deal with subclause 2, operation and maintenance of municipal airports, $398,260.

Mr. STIRLING: Would the minister explain this one?

Mr. HOWE: Yes. This item is for the operation and maintenance of fourteen municipal and other airports owned or leased by the Department of Transport for the duration of the war, all of which are being utilized by the air forces of Canada, the United Kingdom and the United States for training operations, namely, Vancouver, Lethbridge, Winnipeg, London, Charlottetown, Edmonton, Medicine Hat, Fort William, Malton, Buchan, Calgary, Regina, Windsor, New Glasgow. This service was taken over by the Department of Transport from the Department of National Defence air services on April 1, 1942, and has since been maintained with funds provided by allotment from war appropriation.

Mr. HOMUTH: In view of the fact that a great many districts are planning now for after the war business, in the way of developing district airports—I have in mind now the counties of Waterloo, Perth, Wellington and, I think, Huron, with some of the surrounding counties, the idea being to develop an airport which will take in the towns within a radius of thirty-five or forty miles, and will prove important in the development of these districts—is the department now making any plans? I realize that some will come under reconstruction and the repatriation of our men coming back, giving them work and so on; but is the department making plans whereby these developments, with government assistance, can be coordinated into the general scheme which undoubtedly we shall have when the war is over.

Mr. HOWE: The government is not encouraging new development of airports at this time.

Mr. HOMUTH: I do not mean now.

Mr. HOWE: We are willing, at the request of a municipality, to survey a site and report on it to the municipality, and then advise the municipality whether or not it is wise to purchase the land. But we are not prepared to make a commitment to any municipality about the nature of government assistance that will follow.

Mr. HOMUTH: The department has been of great assistance to us in our district. It has sent a man there who has made surveys and helped us in every possible way; he is a very able fellow. We do think, however, that perhaps it is not too early to start on a plan for that work, because the big industrial centres such as we have in Waterloo, Perth, Wellington and that district dare not be off the air line. When the war is over we must be on the air line if we are to continue the development that has been built up over the last fifty or sixty years. Possibly it might be a good idea to have this whole picture coordinated with the efforts of the Department of Labour and other departments of government so that they may look after the post-war development of the country. I do not think it is too early to start and make some of these plans and have a general survey by the department.

Mr. HOWE: The department is studying the situation, but municipal airports are usually started by the efforts of the municipality, and usually it is the municipality that puts the steam in the particular problems. The department either helps or vetoes as arrangements work into the general plan. I must say that until the war is further advanced we shall have to ask the municipality to do the pushing, requesting the government for such help as it requires from time to time which does not involve help in the actual construction of the airport.

Mr. PERLEY: Can the minister interpret the term "municipal"? He mentioned Regina. Does the city of Regina own that airport?

Mr. HOWE: Yes.

Mr. PERLEY: On what terms does the government take over an airport and operate it?

Mr. HOWE: At the beginning of the war we made an arrangement that all municipal airports required by the government for war purposes would be rented from the municipality at one dollar a year, the government undertaking to pay all operating expenses and make such improvements in the airports as might be required for war purposes. The municipalities that entered into that arrangement have profited by it considerably, because all airports have been materially extended to meet the requirements of the air training plan.

Mr. JOHNSTON (Bow River): Will these improvements be turned back to the municipality?

Mr. HOWE: The question is being considered. I may say that the land belongs to the municipality.

Mr. JOHNSTON (Bow River): But the improvements belong to the dominion government?

Mr. HOWE: The improvements usually go with the land.

Mr. GRAYDON: If I may say a word touching the point raised by the hon. member for Waterloo South (Mr. Homuth), I appreciate the minister's position with regard to the war coming first, and I think we all agree with that. But he also qualified that in one of his remarks, when he said that he is not unmindful of what comes afterwards. That is the proper attitude to take. The whole problem of transportation by air will be a very serious matter for many of the centres throughout Canada, because what happened when the railways went through the country may very well happen in connection with air lines. Those places which were on the railway lines were the ones that afterwards became great cities or important centres in Canada. The same situation may develop in connection with air lines; we may have a parallel here. In those days when the railways were pioneering their way through the dominion, the places which the roads did not go through gradually subsided in influence, in population and in business, and other centres which were on the main line of transportation took their place. Most of us envisage in the years that lie ahead the magnificent development that will take place in connection with air lines, and I think the minister might give further consideration to the whole question of integrating, by way of survey and plan across Canada, the efforts of the government with respect to air lines in the days after the war.

I have been greatly impressed by the suggestion of the hon. member for Waterloo South in that particular respect. It is important that the minister give special consideration to it, because some of these towns and other places which to-day are thriving business sections may perhaps, if they are not properly integrated into an air line system, find that the present system of transportation may not meet the requirements of business which will come in another decade. They may find the whole situation changed. I add my word to what the hon. member has said.

Mr. HOWE: I covered that phase of the matter fully in my statement on Friday. When my hon. friend recovers from his long week-end he will read the statement and find that the point is covered.

Mr. CASTLEDEN: A number of air force stations are being closed at the present time. This year, I believe, the plans are that some twenty-eight are to be closed. The people are concerned about the use that is to be made of these airports, the buildings and other facilities.

Mr. HOWE: I wish to apologize to the leader of the opposition (Mr. Graydon). I have some information and I realize that my remark was very much out of place and very rude. I apologize to him. I was trying to be amusing without any knowledge of the facts, and I hope he will forgive me.

Mr. GRAYDON: I did not think twice of that because I know my hon. friend would not have been rude intentionally.

Mr. CASTLEDEN: There are about twenty-eight airports that are being closed out by the Royal Canadian Air Force this year across Canada. People are somewhat concerned as to the best use that can be made of equipment and so on and would like to see those places continued as airports in peace time if possible. They have not the full knowledge of the facts, and I would urge on the minister and the government the importance of letting them know at the earliest moment whether or not there is any possibility of the present facilities and equipment being put to civilian use in aviation. It would be a tragedy if they were informed that it was not likely that a port could be used and then later on found that it would have been very valuable. I should like to see the government come forward with a long range plan to help these communities in the great job of reconstruction.

Mr. HOWE: I assure my hon. friend that airports that are being declared surplus to the air training plan will be maintained until the end of the war, and then as many of them as can be will be incorporated into the civil air services. As I stated on Friday, it is quite impossible to undertake new air services at this time. In the first place we have not the equipment, and in the second place we wish to wait and make the expansion of civil aviation part of the demobilization plans. I can assure my hon. friend, however, that the airports will not be allowed to deteriorate.

Progress reported.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

LOAN OF $1,000,000,000

TO MEET LOANS OR OBLIGATIONS, TO PURCHASE UNMATURED SECURITIES AND FOR PUBLIC WORKS AND GENERAL PURPOSES

Mr. D. C. ABBOTT (Parliamentary Assistant to the Minister of Finance) moved that the house go into committee to consider the following resolution:

Resolved, that the governor in council be authorized to raise by way of loan under the provisions of the Consolidated Revenue and Audit Act, 1931, an amount not to exceed in the whole the sum of one thousand million dollars for paying or redeeming the whole or any portion of loans or obligations of Canada and also for purchasing unmatured securities of Canada and for public works and general purposes.

Mr. GORDON GRAYDON (Leader of the Opposition): Mr. Speaker, I do not know whether the parliamentary assistant desires to make a statement explaining this resolution now, or when we go into committee. I think, however, it might more properly be done now.

Mr. ABBOTT: I am prepared to do that. This resolution is to renew the general borrowing authority of the government. The last loan act was passed in the 1942 session of parliament, and of the amount so authorized there remains unborrowed and negotiable $92,413,058. To December 31, 1944, there matures or is callable a total of $1,032,240,470.85, which is exclusive of the deposit certificate and treasury bills. Therefore, as the house appreciates, the bill following this resolution is to authorize borrowing power to enable the government, if necessary, to renew the various loans to which I have referred, totalling something in excess of a billion dollars.

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

Mr. STIRLING: I did not catch any reference by the parliamentary assistant to the last words of the resolution, namely "for public works and general purposes". What does the government propose to do with regard to that?

Mr. ABBOTT: No, I did not refer to that. This resolution is in the same form as the resolution introducing a similiar bill in 1942. The money is borrowed under authority to be given under this measure, and can also be used for public works and general purposes of the government of Canada. It is to be noted, however, that the proceeds from sale of securities issued under this authority have to be paid into the consolidated revenue fund, and they can be paid out of the consolidated revenue fund only under some parliamentary authority. This means that the money borrowed under this measure can be used only for public works and general purposes if the moneys for those purposes have been voted or authorized by parliament. In previous loan acts, those of 1942, 1940, 1939, 1936, 1935, 1933 and 1931 there was provision that money borrowed could be used for public works and general purposes. There is no change in principle in this measure with regard to that matter.

[Mr. Abbott.]

Mr. POULIOT: Would the hon. member for St. Antoine-Westmount be kind enough to tell me if the Bank of Canada will have anything to do with it?

Mr. ABBOTT: Well, the Bank of Canada acts as fiscal agent for the government. With that exception, however, I must say I do not quite understand what my hon. friend's question means. But except to the extent that the Bank of Canada acts as fiscal agent for the government in connection with the issue, registration and so on of government loans, I would say no.

Mr. POULIOT: With regard to loans, no, when the loans are sold to the public. But here it is asked:—

That the governor in council be authorized to raise by way of loan under the provisions of the Consolidated Revenue and Audit Act, 1931, an amount not to exceed in the whole the sum of one thousand million dollars for paying or redeeming the whole or any portion of loans or obligations of Canada and also for purchasing unmatured securities of Canada and for public works and general purposes.

In the first place there is the paying of loans or obligations; second, the redeeming; third, the purchasing of unmatured securities of Canada, and then public works and general purposes. There are five different things, and "general purposes" may comprise a lot. Is the hon. member serious when he says that the Bank of Canada will have nothing at all to do with it, and that it will be done only through the Department of Finance?

Mr. ABBOTT: As I said a moment ago, that is the language used in these acts. If the moneys are raised by way of loans under the authority of this measure, they must be paid out of the consolidated revenue fund, and they can be paid out of that fund only in virtue of parliamentary authority. So that I do not quite follow what my hon. friend has in mind when he asks whether the Bank of Canada will have some control over money which may be borrowed in virtue of the proposed resolution.

Mr. POULIOT: It is not exactly a matter of control. I asked if the Bank of Canada would have anything to do with it?

Mr. ABBOTT: I can answer only in this way, that the actual purpose of the bill to be founded upon the resolution is to provide for maturing obligations of the Dominion of Canada which will mature during this year—in other words, the refunding of loans. The language of the bill is, I am advised, identical in terms with the language of similar measures which have been passed by the house for

some ten or twelve years. I assume that the same procedure will be followed as has been followed in the past.

Mr. POULIOT: My hon. friend is a lawyer whom I would recommend to those who require a skilled jurist and a man who can make subtle distinctions. I wish to know if the Bank of Canada or the governor of the Bank of Canada will have anything to do with it. I should like to know if the Bank of Canada or the governor of the Bank of Canada advised such a step as this.

Mr. ABBOTT: I find that question difficult to answer because I am afraid I do not clearly understand it. I said a moment ago that the Bank of Canada acts as fiscal agent for the government of Canada in connection with the registration and recording of government loans. Any proceeds of a loan made by virtue of the power conferred under this measure will be paid into the consolidated revenue fund and, as I said a moment ago, it can be paid out of the consolidated revenue fund only by virtue of the authority of this parliament. Therefore I would say in answer to my hon. friend's question that I do not see how the Bank of Canada would have anything to do with the paying out of the proceeds of that loan other than as agents for the government.

Mr. POULIOT: I do not want to know if the money will be deposited in the Bank of Canada; I want to know if the transaction has been recommended by the Bank of Canada or by the governor of the Bank of Canada.

Mr. ABBOTT: I have no knowledge as to that. The government of Canada is obliged to take care of its maturing obligations or securities. Whether the Minister of Finance has consulted the governor of the Bank of Canada as to this particular legislation, I am not in a position to say. I think it is extremely doubtful that he has because this is the usual and ordinary loan bill which has been passed by this parliament for many years to make statutory provision for the refunding of maturing obligations of the dominion. I am not in a position to answer my hon. friend.

Mr. POULIOT: I shall tell my hon. friend how it works. When an issue of victory bonds is sold to the Canadian people and any of those bonds are negotiated at a bank, they are sent to the Bank of Canada. The Bank of Canada pays cash for the bonds but they are not put into the market again. If the sale does not pass through the Bank of Canada in the first place, it does in the second place.

Mr. HOMUTH: Not necessarily.

Mr. POULIOT: It does when people exchange their bonds instead of keeping them at home. I am greatly concerned over this because of an answer that was given by the governor of the Bank of Canada to the hon. member for Vancouver-Burrard (Mr. McGeer) at a meeting of the banking and commerce committee on March 31, 1939, as reported at page 80 of the proceedings. This answer has been quoted already by the financial critic of the New Democracy group. The question and answer are as follows:

> Mr. McGeer: Is it possible for you to imagine any way by which we are ever going to pay the debt we have got?
>
> Mr. Towers: As the debts of the government are an asset of the Canadian people, I do not see much point in the thing.

The governor of the Bank of Canada did not see much point in paying the debt or in the redemption of the bonds. He then added:

> Except in so far as there is maldistribution.

To quote his own words, the governor of the Bank of Canada said that he did not see much point in the payment of the debt.

Mr. ABBOTT: Is that a fair inference to draw?

Mr. POULIOT: I shall read it again:

> Mr. McGeer: Is it possible for you to imagine any way by which we are ever going to pay the debt we have got?
>
> Mr. Towers: As the debts of the government are an asset of the Canadian people, I do not see much point in the thing . . . except in so far as there is maldistribution.

That is why I object formally to the governor of the Bank of Canada being in charge of the victory loans.

Mr. QUELCH: I should like to put a question to the parliamentary assistant to the minister. Just exactly where is it proposed to obtain this money? Is it intended to obtain the money by floating bonds, or is it to be obtained from the chartered banks or from the Bank of Canada? I ask that question for this reason. We in this group have always advocated that to the extent that money obtained by taxation and by borrowing the legitimate savings of the people fails to meet government expenditures, the government should obtain funds from the Bank of Canada instead of borrowing from the chartered banks. Whether you obtain money from the Bank of Canada or from the chartered banks, in either case it means expansion of money and to that extent it may be inflationary.

The argument of the Minister of Finance in the past has been that while you can

obtain money from the chartered banks without causing inflation, the obtaining of money from the Bank of Canada would be more inflationary. When money is borrowed from the Bank of Canada and paid out into circulation, eventually it finds its way to the chartered banks and thereby increases the cash reserves of the banks, making it possible for them to expand their loans by ten times the amount. When the parliamentary assistant spoke on the Industrial Development bank bill the other day he contradicted that statement. He said that there was no danger of inflation because the Bank of Canada would be able to control that situation. He referred to the statement made by the hon. member for Vancouver-Burrard who had referred to the fact that if a certain amount of money was obtained from the Bank of Canada and paid out in circulation, apparently that would be increasing the cash reserves of the banks and thereby make it possible for them to expand their loans. The parliamentary assistant took the stand that that was not necessarily so because the Bank of Canada could take the necessary action to control the chartered banks in expanding their loans.

Mr. ABBOTT: I said that the amount of loanable funds involved in the proposed Industrial Development bank was not of such a magnitude that the central bank could not control the reserves of the chartered banks, even if the full amount went out into the commercial banking system. It is all a question of degree.

Mr. QUELCH: You are dealing with the amount rather than the question of whether or not the Bank of Canada could control the situation?

Mr. ABBOTT: Right.

Mr. HOMUTH: The principle.

Mr. ABBOTT: The principle.

Mr. QUELCH: We have pointed out time and again the way in which that situation can be controlled. I think the parliamentary assistant is quite familiar with the system advocated by Professor Irving Fisher and earlier by Professor Soddy. The Minister of Finance has suggested that in reality such action would be a tax upon the bank. On the other hand, in the March 29, 1939 issue of Babson's reports inc. an alternative was pointed out. It was suggested that the money used by the government to increase the cash reserves of the chartered banks, instead of being used to purchase securities held by the chartered banks, could merely be a loan to the chartered banks against their securities. In that case the chartered banks would still be obtaining their revenue from the interest on these securities. By that means you would place the chartered banks on a hundred per cent system without in any way taxing their profits and in that way you would have absolute control over the expansion of loans by the chartered banks. I think it is high time the government gave consideration to other ways and means of obtaining money without continually borrowing from the people or from the chartered banks, because our debt situation is getting to be a very serious one. The national debt has risen from $3,500,000,000 to around $11,300,000,000, and I do not think the parliamentary assistant to the minister would suggest that we are ever going to be in a position to pay that debt. I am not suggesting that people who hold bonds will not get their money for them, because it will just be a question of refunding. But refunding does not reduce the amount of the debt. It just means you transfer the ownership of the debt from one place to another.

I was very much interested in a return, sessional paper No. 377, which was brought down in the house last year. A question was asked as follows:

4. What provision is being made to satisfy the above indebtedness?

The above indebtedness was the national debt.

5. If present policy is continued, can this debt ever be repaid?

This is the reply that was given in the sessional paper:

The Dominion of Canada has always paid the full face amount of the principal of and interest on every direct obligation issued by it, all promptly when due in the lawful currency of the country where payable at the time of payment thereof.

In the budget speech delivered in the House of Commons on February 25, 1937, the Minister of Finance, in referring to an issue of perpetual bonds, stated "It was intended as the initial step in a programme which is designed to provide for the consolidation and simplification of our public debt structure. Another purpose which we had in mind was to facilitate the setting-up, as soon as the condition of our national finances make it practicable, of a general sinking fund to provide for the gradual amortization of our long term debt on scientific lines."

During the war period and for some years before the dominion government has been operating at a deficit and it has not been possible to provide for the paying off of indebtedness out of revenue. However, the government plans in this respect will be made known at the appropriate time.

Then, in reply to the question:

If present policy is continued, can this debt ever be repaid?

The reply is: "Yes".

What surprised me was that the minister should see fit to quote a statement made by a former minister of finance, Mr. Dunning, because if there was one man's policy in this country thoroughly discredited, it was the policy of that former minister of finance. It was during his regime in this house that the resources of this country day by day and year by year were systematically sabotaged, not only the industrial resources but the manpower resources. We saw the effect of that when men were called up under the mobilization act. Thousands of men were discharged because they were medically unfit, and in many cases on account of malnutrition. Yet, in spite of that fact, in spite of the fact that that minister was responsible for sabotaging the resources of the nation we are now asked to believe the statement made by him back in 1937, that a scientific scheme would be introduced whereby the national debt could be paid off.

In the seventy-seven years since confederation we have had only fifteen balanced budgets. In pre-war days the national debt never exceeded the figure of $3,500,000,000. If in the days when the national debt was under $3,500,000,000 we were able to have only fifteen balanced budgets, is it likely we are ever to have a balanced budget or a surplus in the years to come when the national debt will have risen to a figure of $14,000,000,000? I think it is asking hon. members to believe something that is very unlikely to happen.

Mr. NICHOLSON: A lot of eye-wash.

Mr. QUELCH: In order to have a balanced budget and a surplus in the post-war years there must be very heavy taxation. The purpose of taxation in the war years has been to reduce spending. We have been told that time and time again. For exactly the same reason taxation will have to be reduced after the war, in order that spending may be increased. That statement was made recently in a speech by the deputy minister of finance. If taxation is to be reduced after the war in order to increase the spending of the people I should like to know how we are to have a balanced budget.

Mr. ABBOTT: It all depends on the size of the national income.

Mr. QUELCH: I think the statement made by the former chairman of the advisory committee on post-war reconstruction was far more practical in this regard. I should like to quote from the report of the special committee of the Senate in the session of 1943. The quotation will be found at page 29 of proceedings of the special committee, No. 1. This is what Doctor James had to say:

> I wanted to add one further point there, namely, that the recognition of that policy of public investment as a marginal factor to take up the slack of private investment at any period implies the necessity of a complete change in our budget philosophy. We should still have an annual budget for probable revenues and expenditures; but so far as public investment expenditures are concerned for the construction of all kinds of projects, it would obviously be necessary to have a budget which extends over a period of years. Mr. Churchill two Sundays ago suggested four years as a period for a plan. That may be perfectly right, politically thinking, but economically I prefer a period of seven or ten years. It may also be true—I mention this because somebody may think of it—that the adoption of that policy will mean a slight but continuous increase in the total public debt of Canada over the next hundred years.

The only exception I take to that statement is this: Why say one hundred years? Why not say "forever as long as we continue on the present system"? If under a policy of that kind whereby you can maintain the full development of the resources of the nation you will have a continued debt for the next one hundred years, I should like to know how you are going to pay off the national debt in the manner suggested in the quotation from the predecessor of the present Minister of Finance? I think we should adopt a practical attitude toward this whole thing. Come out frankly and say that we are going to continue under the present system, which means a continuous increase in debt forever and when the debt gets so large we can no longer service it we will borrow money and pay interest on it. Let us be frank about it. If we are to carry on under such a system it will mean a continued increase in the borrowing until the system will become so absurd that the people will realize there must be a change. On the other hand, if we are really sincere in wanting to bring about a reduction in the national debt, let us recognize that the only possible way by which we can ever bring it about is by the issue of debt-free money, because you cannot pay debt with debt.

Mr. DOUGLAS (Weyburn): In the resolution which precedes the bill to give the government power to borrow $1,000,000,000 I would have thought the parliamentary assistant to the Minister of Finance would probably have taken the opportunity to give the committee some information with regard to the fiscal picture as it affects the Dominion of Canada. I would ask that at some time in the course of this debate some information be given to us, so that when the bill comes down we can discuss it more intelligently. I remember in the first year of the war the then Minister of Fin-

ance said that the government was pledging itself to the policy of a pay-as-you-go war. I think we should know something about the extent to which the government has been able to maintain that principle. Would the parliamentary assistant to the minister tell us what is the national debt to-day as compared with September 1, 1939 and 1919, which was the close of the first great war? Would the hon. gentleman tell us how much money has been borrowed by the federal government in each year during the present war? How much of that borrowing was from the chartered banks; how much was from the general public by the sale of victory bonds, and how much by the sale of government bonds on the investment market? Would he tell us to what extent, if at all, we have used our own Bank of Canada in financing operations and to what extent? Would he tell us what the annual interest bill of the government is now as compared with the beginning of the war and as compared with 1919? I think he should give us a general picture of those bonds which will be maturing during the present year. What amount of bonds will mature? Would he tell us if at any time in the last twenty-five years the federal government has ever paid off a maturing bond obligation, or whether it has merely refunded those bonds as they matured? If the parliamentary assistant could give us some of that information I think we should be in a better position to discuss this resolution. Certainly we shall have to have it before we can discuss the bill.

Mr. HOMUTH: Under the Conservative regime we paid off some debts.

Mr. ABBOTT: I can give my hon. friend some of the information he asked for.

First, as to the national debt to-day as compared with 1939 and 1919, the total unmatured funded debt as at January 31, 1944, amounted to $10,561,454,023.79, and the annual interest charges on that amounted to $268,312,935.81. I have not at my hand the comparable figures for 1939 and 1919, but I can get that information and perhaps give it on the second reading of the bill.

My hon. friend asked for the borrowing each year during the present war. The first war loan was for an amount of $250,000,000, $200,000,000 of which was issued for cash and $50,000,000 was issued in conversion of three per cent bonds which matured March 1, 1940 by the Bank of Canada through banks, brokers and investment dealers. The second war loan was issued in the amount of $324,945,700, $300,000,000 for cash, and $24,945,700 in conversion of 4½ per cent bonds due September 1, 1940. The 1941 victory loan was $836,820,250, $579,286,250 for cash and $64,248,000 in conversion. The second victory loan was $997,503,300, $845,360,300 for cash and $152,143,000 in conversion of maturing loans. The third victory loan was $991,389,050, all issued for cash. The fourth victory loan, $1,308,716,650 was all sold for cash. The fifth victory loan was $1,571,311,550, of which $1,383,275,250 was sold for cash; $188,036,300, conversion. The sixth victory loan is coming on at the end of April.

Those loans represented loans issued to the public. My hon. friend asked the amount sold to the chartered banks and to the Bank of Canada. I assume he would be satisfied with the totals.

Mr. DOUGLAS (Weyburn): Yes.

Mr. ABBOTT: The total amount sold to the chartered banks since the beginning of the war including deposit certificates and short-term loans, $1,697,660,000, and to the Bank of Canada, $1,415,171,000. These figures are all as of January 31, 1944, and the total is $3,112,831,000.

Mr. QUELCH: What was the main purpose of the borrowings from the Bank of Canada? It was, I assume, chiefly for the purpose of buying gold and refunding.

Mr. ABBOTT: I believe that is correct; and in connection with the taking over by the foreign exchange control board of the gold holdings of the Bank of Canada.

Mr. DOUGLAS (Weyburn): Were there any borrowings outside Canada, on the New York market?

Mr. ABBOTT: No bonds for new money have been issued on the New York market, as far as I recall. All these are domestic issues.

My hon. friend asked as to the interest. I am afraid I have not in dollars the interest paid on government securities. I have the average rates of interest paid on the funded debt of Canada, including treasury bills and deposit certificates, from 1913 to 1944. Perhaps I might give the rates as of 1913, 1919, 1939 and 1944.

On March 31, 1913, the average interest rate paid on Dominion of Canada borrowings was 3·44 per cent; March 31, 1919, 5·02 per cent; March 31, 1939, 3·52 per cent; January 31, 1944, 2·54 per cent—the lowest, as my hon. friend will see, at any time during the period of 1913 to 1944.

Mr. HOMUTH: The picture might be much better if you read off every year instead of taking certain years.

Mr. DOUGLAS (Weyburn): Has the hon. gentleman the total amount paid in interest?

Mr. ABBOTT: I would be glad to give the hon. member the figures for each year. I did not want to take up the time. As of March 31 the interest rates are as follows:—

Year	Per cent
1913	3·44
1914	3·58
1915	3·65
1916	4·04
1917	4·38
1918	4·83
1919	5·02
1920	5·18
1921	5·17
1922	5·20

That is where it reached the peak; that was the maximum.

I have not the figures for the period 1923 to 1929.

1930	5·02
1934	4·63
1935	4·15
1936	3·94
1937	3·75
1938	3·53
1939	3·52
1940	3·40
1941	3·06
1942	2·90
1943	2·60
January 31, 1944	2·54

Mr. DOUGLAS (Weyburn): Has the hon. member the amounts of interest in addition to the rates for those years?

Mr. ABBOTT: I am afraid I have not those figures before me.

Mr. DOUGLAS (Weyburn): The hon. gentleman can get them?

Mr. ABBOTT: I can get them.

Mr. HOMUTH: But those figures would not be comparable, because of the changing interest rates.

Mr. ABBOTT: I gave my hon. friend the gross figure of interest paid. The annual interest charge to-day on our total funded debt, including treasury bills and certificates, at January 31, is $268,312,935.81.

Mr. DOUGLAS (Weyburn): The hon. gentleman has given the victory loans and the money borrowed from the chartered banks. Would there not be bonds sold on the investment market either for refunding purposes or for state borrowing? Has he any estimate of these?

Mr. ABBOTT: Perhaps I would need to check this, but I have given, I think, all the issues of government securities which have been made since the beginning of the war.

Mr. COLDWELL: If the figure the parliamentary assistant has given is correct, showing that the gross amount of interest is $268,000,000—

Mr. ABBOTT: It is $268,000,000 a year, roughly.

Mr. COLDWELL: Is that not double what it was in 1939?

Mr. ABBOTT: I cannot give that from memory but I can get that information.

Mr. COLDWELL: I thought it was about $130,000,000.

Mr. ABBOTT: It is nothing like double. I am sorry I did not understand the question. I would not want to give the figure from memory, but I would say that it is not more than $100,000,000 at the outside. I do not think it is that high.

Mr. DOUGLAS (Weyburn): $142,000,000.

Mr. NICHOLSON: On February 17 the minister answered a question I had asked. For the fiscal year ended March 31, 1939, the interest on the public debt was $127,995,616.75. I notice a discrepancy between the amount which the parliamentary assistant has just given, $268,000,000, for the end of the calendar year, and the figure given in the answer that was tabled on February 17. The figure then given was $188,556,249.39. Do I understand that to indicate the rate at which the snowball is accumulating in size?

Mr. ABBOTT: My hon. friend will realize that the $188,000,000 represents interest actually paid up in a certain period. Is that not correct?

Mr. NICHOLSON: For the previous year.

Mr. ABBOTT: Of course there have been two victory loans since the date of those figures and the figure which I have given of $268,000,000 odd represents the annual interest charges on unmatured funded debts, including treasury bills, as at January 31, 1944.

Mr. HOMUTH: It is much more than double.

Mr. ABBOTT: I am not prepared to answer that question.

Mr. DOUGLAS (Weyburn): Since this money is for the purpose of refunding debt, how many of these maturing obligations have been met outright, or have we always refunded during the last twenty or twenty-five years?

Mr. ABBOTT: I would hesitate to answer that offhand. I am almost certain we have met some maturities out of existing funds. I shall have to take note of the question and answer it later.

Mr. COLDWELL: Is this the gross debt including the railway debt, or is it the debt excluding the debt of the Canadian National Railways?

Mr. ABBOTT: That, I think, includes only the government debt, excluding the Canadian National Railways.

Mr. MacNICOL: In giving his statement of the amount of the victory loans sold, the minister stated that such and such an amount was sold for cash. During the last victory loan I was in the bank one day and the banker had just made a sale to a customer. He said to me, "This is what is happening. A lot of this is going on." I said, "What is that?" Then he said to me, "That party just sold me five bonds to the extent of $5,000 and bought new bonds to the extent of $2,000." Would the parliamentary assistant call that a sale for cash, where a customer sold bonds from a previous loan for $5,000 and bought bonds of the new loan for $2,000?

Mr. ABBOTT: Certainly the purchase of $2,000 is a purchase for cash. The purchaser obtained that cash by selling other bonds, I gather from what my hon. friend has said, and someone else has bought those bonds. But on balance, as I say, someone has provided the cash to the purchasers or the purchasers have obtained cash, whether by borrowing or otherwise, to purchase the amounts mentioned.

Mr. MacNICOL: Has the parliamentary assistant any record of the number of bonds returned in such circumstances during the last victory loan?

Mr. ABBOTT: We would not have those figures. I certainly do not have them here.

Mr. MacNICOL: What would the bank do with the bonds they had just purchased from the customer?

Mr. ABBOTT: I suppose they would either keep them in their own investment portfolio, if they were anxious to invest in that particular maturity, or they would sell to another customer who wished to buy that particular maturity of bonds. As my hon. friend knows, the banks are continually buying and selling government bonds.

Mr. MacNICOL: I was under the impression that the Bank of Canada would have to buy them.

Mr. ABBOTT: Not necessarily.

Mr. NOSEWORTHY: Will the parliamentary assistant tell us how much of this one thousand million he estimates will be used for redeeming matured loans, how much for the purchase of those loans that are not matured and how much for public works? In the second place, will he tell us just what is the nature of these unmatured loans? Will any of this money be available for the purchase of victory bonds that have not yet matured? I am thinking of the debate we had in the house some days ago and of those who will be required undoubtedly to sell victory bonds at less than par. Will any of this money be available for the purchase of these unmatured victory bonds, or just what is the nature of the unmatured securities the hon. gentleman has in mind? There was a question asked that has not yet been answered: How much of this one thousand million will be borrowed from the Bank of Canada?

Mr. ABBOTT: That last question I am not in a position to answer. That is a matter that will be determined in due course, but I assume that these refunding issues, as was the case in the past, will be issued to the public. As to the maturities to December 31, 1944, which include callable issues, the figures are these:

Date	Interest rate	Where payable	Amount
	Per cent		
April 15, 1944	1	Canada	$250,000,000 00
April 15, 1944	1½	Canada	100,000,000 00
June 1, 1944	2	Canada	90,625,000 00
July 1, 1944	4	Canada	33,293,470 85
September 1, 1944	1½	Canada	150,000,000 00
October 15, 1944	4½	Canada	50,000,000 00
Callable October 15, 1944 (due October 15, 1949)	3½	Canada	138,322,000 00
October 16, 1944	1½	Canada	200,000,000 00
November 15, 1944	2½	Canada	20,000,000 00
			$1,032,240,470 85

If we break that down, the maturities in 1944 amount to $893,918,470.85, and the one issue to which I referred as being callable, which is due in 1949, amounts to $138,322,000.

In addition there are treasury bills and deposit certificates outstanding which, I take it, do not interest the hon. gentleman at the moment.

Mr. QUELCH: Is it not quite true to say that in the past the policy of the government has been to borrow money from the Bank of Canada, to buy gold which it turns over to the foreign exchange authorities, to refund a debt owed to the Bank of Canada; it has not been the practice of the government to borrow money from the Bank of Canada for the purpose of putting that money into circulation?

Mr. ABBOTT: That is true, generally speaking; but the hon. gentleman will recall that in the early stages of the war, I think either in the fall of 1939 or early in 1940, the government borrowed about $200,000,000—I am speaking from memory—from the Bank of Canada.

Mr. QUELCH: That was from the chartered banks.

Mr. ABBOTT: Oh, I see.

Mr. NICHOLSON: The parliamentary assistant was asked to give the total debt as of the end of December, and he gave a figure of something over $10,000,000,000. In a return he brought down recently he gave the debt as at the end of March, 1943, as $6,182,000,000. I wonder if he could account for the difference between those figures, which seems a very large increase to take place in the course of a few months.

Mr. ABBOTT: As my hon. friend will recall, since March 31, 1943, there have been two victory loans totalling some $2,600,000,000.

Mr. NICHOLSON: But the difference is $4,000,000,000.

Mr. ABBOTT: I have not before me the return to which my hon. friend is referring, and offhand I cannot reconcile these figures, but I am informed that what I have before me represents the net unmatured funded debt as at the date given. The figure given by my hon. friend may not include treasury bills or deposit certificates. I am inclined to think that may be the explanation.

Mr. JACKMAN: In view of the fact that the forthcoming victory loan is to be for $1,200,000,000, I am a little curious to know why the resolution here calls for only $1,000,000,000 in connection with the raising of new money or for refunding. Where is the authority to raise the other $200,000,000?

Mr. ABBOTTT: My hon. friend has probably overlooked the fact that the authority to borrow in connection with the victory loans is contained in the war appropriation bills. The hon. gentleman will remember that each war appropriation bill, whatever amount it is for, includes the necessary statutory authority to borrow; and the borrowing authority asked for here has no relation to the borrowings we make in connection with our victory loans. That borrowing authority is contained in the war appropriation bill.

Mr. KUHL: Has the parliamentary assistant any figures to indicate the amount of money the people of Canada borrowed from the chartered banks with which to purchase victory bonds?

Mr. ABBOTT, No, I have not.

Mr. HANSELL: We have been talking a good deal about the details of facts and figures, but one big question remains when this is all boiled down. How much are the people of Canada in debt? After all, that is the great question that has to be answered. What is the per capita debt of the people of Canada, and how is that debt to be retired? It seems to me that sums up the whole thing. I am not so much concerned about where the Canadian National Railways debt is placed, or how many bond issues there have been in past years. As the representatives of the people we want to know how far our people are in debt; we want to know when the debt is to be paid off, and how. The parliamentary assistant to the Minister of Finance is standing up to it well to-night; perhaps he will be Minister of Finance one of these days if he keeps going, and I hope this question does not embarrass him; but we should like to know how the government, if it remains in power, is to retire the debt. If the government cannot answer that question, let them tell the country so; let them get out of the saddle, and let somebody get in who knows how. That is the position. Perhaps we shall have an opportunity to challenge the Progressive Conservative party with the same question. If the parliamentary assistant will answer that he is going to settle everything.

Mr. ABBOTT: That is a tall order. This matter has been discussed previously. The method which I know my hon. friends in the far corner would suggest does not commend itself to me. My hon. friend asked if the question was embarrassing. No, it is not particularly embarrassing, but he and I both know that this debt will not be paid off this year, next year or the year after. However, if he will tell me how soon the war will be over, or how long we shall be obliged to continue to make these large war expenditures, I may be able to give him some idea as to when I think we may start reducing this debt.

Mr. HANSELL: I should like the committee to get that answer, for that is the very best the government can give us as to how this debt is to be retired. If I shall tell the hon. gentleman when the war will end he will tell us something else. That is a great answer, is it not? We are asking that question of the men who are in the saddle, the authority in Canada; they should know.

Mr. ROSS (St. Paul's): There are so many figures being mentioned, and some of them do not gibe with some others. In connection wth paying off or redeeming the whole or any portion of a loan or obligation, or purchasing unmatured securities, the government does not require any further authority, as I understand it; but before the money can be used for public works or other purposes, authority has to be obtained from parliament?

Mr. ABBOTT: That is correct.

Mr. ROSS (St. Paul's): Then the parliamentary assistant mentioned that the amount paid in interest was $268,000,000.

Mr. ABBOTT: If my hon. friend will allow me, that is not the interest paid; that is the annual interest charge on the debt as it stands at January 31, 1944.

Mr. ROSS (St. Paul's): In the estimates for this year the amount is given as $273,000,000. It was $200,000,000 last year, so that there has been an increase of something over $72,000,000. I do not understand where the hon. gentleman gets this figure of $268,000,000.

Mr. ABBOTT: My hon. friend will recall that we have two months to go to the end of the current fiscal year, as of the date I mentioned in connection with that figure. I was giving the annual interest charges on the total national debt as it stood on January 31 of this year. I take it we must assume that the debt will increase in the two months subsequent to January 31, before the end of the fiscal year.

Mr. ROSS (St. Paul's): But the parliamentary assistant said that the interest charge is $268,000,000. Yet, the estimated interest charge for the next year is only $273,000,000. We have two victory loans we shall have to go through.

Mr. ABBOTT: No, that is a difference of some $3,000,000. I suggest to my hon. friend—and I am making this answer offhand—that that $3,000,000, or $5,000,000, whatever the figure is, will represent the interest on money which will be borrowed between January 31, and March 31, the end of the current fiscal year. I refer to the fiscal year which will close at the end of this month.

[Mr. Abbott.]

Mr. ROSS (St. Paul's): Yes, all right. What I am getting at is this: Your estimate for next year is only $273,000,000, and the amount increased by $73,000,000 over the year before. I cannot see how you get that charge at all. Then there is one other question I would ask in connection with these interest rates. We have noticed that the rates have come down from 5·20 per cent to 2·50 per cent, I believe it is.

Mr. ABBOTT: Yes, 2·50 per cent.

Mr. ROSS (St. Paul's): Yes. Could the government borrow that money at two per cent? Could the victory loan be put over at two per cent, under the mechanism we have at the present time?

Mr. ABBOTT: My hon. friend's opinion on that is probably more valuable than mine. Previous victory loans have sold on a basis of approximately three per cent and, as my hon. friend knows, that is the basis for the forthcoming sixth victory loan.

Mr. ROSS (St. Paul's): Is it not so that there are two reasons for the rate we have today? One is that we have a mechanism which we did not have in the last war, and the other is that the public are asked to buy it, and the Bank of Canada pretty well controls what rate we shall give. Is that not so?

Mr. QUELCH: The assistant to the minister apparently feels that when the war is over the government will be in a better position to answer the question as to when the national debt can be paid. I draw his attention to a question asked of the governor of the Bank of Canada in 1939, before this war started.

Mr. ABBOTT: That matter was raised a little earlier, if I remember correctly.

Mr. QUELCH: This is found at page 80 of report No. 1 of the banking and commerce committee. The question was asked:

> Is it possible for you to imagine any way by which we are ever going to pay the debt we have got?

The debt at that time was only about three and a half billion dollars. This is what I find in the report:

> Mr. Towers: As the debts of the government are an asset of the Canadian people, I do not see much point in the thing; except that, to the extent that the government thinks that the distribution of those assets of the Canadian people—which are its debt—is unsatisfactory, it may take steps to remedy that distribution in any way that lies within the legislative power; in fact, in any way, I suppose—by income tax or succession duties or any other action it cares to take.

Then, further on in the report he said that the national debt, to a large extent, is a sign of a nation's prosperity. Take central Africa,

with no debt, and no prosperity. We should, therefore, be getting very prosperous in the future, because now our national debt has gone up to around eleven billions. It is increasing by about two and a half billions this year. If the war goes on for another two years our national debt will be around fourteen or sixteen billions.

The governor of the Bank of Canada could not tell us how we were to pay off the national debt of three and a half billions of dollars, so that I do not think he will know how we shall pay off a national debt of fourteen or sixteen billions. Yet, according to the sessional paper tabled in the house and referred to by me a few minutes ago, a scientific scheme is to be brought down by which this debt can be paid.

The point I wish to raise is this: I notice that the national resources planning board of the United States, quoted by Stuart Chase in his book "Where Will the Money Come From," stresses the fact that there is no immediate danger until the national debt is equal to double the national income. Well, we shall be pretty near that in another two years, if our national debt gets up around fourteen or fifteen billions of dollars, and the national income falls to about seven billions.

Then they go on to say, and this is an interesting point, that when the national debt rises to double the national income we shall probably have to use interest-free money in the future. Why wait until we reach a crisis to use interest-free money? Why not use it before that? If it is possible to use interest-free money when we reach a crisis, in which the national debt is double the national income, then surely we can start to do so now and avoid this great interest-bearing debt.

Mr. Towers poinst out that the dangerous feature is not so much the size of the debt as the distribution of it. Are we bringing about a better distribution? The parliamentary assistant will probably say that to-day we are having a very wide distribution of bonds. But are we bringing about an equitable distribution of bonds? In respect of the third, fourth and fifth victory loans one-third of one per cent of the subscribers purchased sixty per cent of the total loan. This shows what a very inequitable distribution of debt we have to-day. So that in the future you will have to tax the whole population in order to pay tribute to a comparatively small number of people. Since the war we have greatly aggravated the problem to which the governor of the Bank of Canada referred. I am not referring to the size of the debt, but to the distribution of it, in which there is a more inequitable distribution of debt from day to day, as the war goes on. It is high time some action was taken.

Mr. HLYNKA: The parliamentary assistant blames the war for the rise in debt. May I point out that in 1934, for instance, the national debt of Canada was $3,141,042,097. At that time 44·11 per cent of our total revenue was used to pay interest on our national debt. That was in 1934. There was no war at that time, and I say that the parliamentary assistant to the Minister of Finance is on the spot when he is asked to tell us how this debt is to be paid off.

If governments in the past were unable to meet their debt obligations, except by piling up more debt, then we doubt that this government, following the policy it has followed, will be able to pay off the debt, when it has already reached over ten billions of dollars. The people of Canada, and hon. members are entitled to a definite answer. The people want to know how the government is to retire this debt, because our children will have to bear the burden. If after the war the people have to spend seventy-five cents out of every dollar collected in taxes to pay the interest on our national debt, how in the world is the government to pay for all the social services, and all the promises which are being made during this session? Although it may be quite a job for the parliamentary assistant to the Minister of Finance to answer this question he should, however, tell this committee and the people how the government intends to pay off the debt which the people will have to meet.

Mr. HOMUTH: They will not be here to do it anyway.

Mr. NICHOLSON: On February 17 the parliamentary assistant to the minister gave some information in connection with the public debt. His answer at that time showed that every baby born in Canada in 1914 started out with a debt of $42.64. By 1919 this had increased to $189.45; in 1939, to $278.62 and by March 31, 1943, to $523.44. The question may be asked if this has anything to do with family allowance. Something will have to be done about the interest charges. In 1914 the per capita expenditure on interest on public debt was $1.64; in 1919 it had increased to $9.32; in 1939 to $11.31 and in 1943 to $15.96. Every man, woman and child has an interest bill of $15.96 to pay each year. Could the parliamentary assistant give us some statement to indicate the percentage of the debt owing to ourselves, the percentage owing in the United States and the percentage owing in Great Britain and in other countries.

Mr. ABBOTT: The great portion, of course, is owing to ourselves. Of the total funded debt of $10,561,454,023, $10,216,028,133 is

payable in Canada; $333,000,000 is payable in New York and $12,425,890 is payable in London.

Mr. BLACKMORE: Could the minister tell us to what percentage of the Canadian people that $10 billion is owing? Is it fifteen per cent or ten per cent or what?

Mr. ABBOTT: I am afraid I cannot answer that question.

Mr. BLACKMORE: That is an all-important question. If the money is owing to ten per cent of the population then it would seem that ninety per cent of the population are going to be hewers of wood and drawers of water for the other ten per cent.

Mr. HOMUTH: In Waterloo county everybody took his share.

Mr. ABBOTT: My hon. friend will recall that in the fifth victory loan there were over 3,000,000 individual subscriptions, which would indicate that one in three and a half or four Canadians was a purchaser of government securities. Other than that I am not in position to give my hon. friend any figures as to what percentage is held by how many people.

Mr. BLACKMORE: It would be interesting to know what percentage of those people still hold their bonds and what percentage will still be holding their bonds in another five years. I think we shall find that the same thing will happen as happened in the past, the bonds will all gravitate into the hands of a few people.

Mr. ABBOTT: That is my hon. friend's opinion, but I hold a different opinion.

Mr. BLACKMORE: History supports my view.

Mr. McNEVIN: I should like to direct the attention of the committee to the statement made by the hon. member for Acadia with regard to the number of people who have invested in victory loans. He was referring to the fact that a few people held a large portion of the investment in these government securities, people such as trust companies and life and fire insurance companies. They are very heavy investors, but after all they are investing trust funds for the people and therefore I do not think the hon. member's statement gives a true picture of the situation.

Mr. QUELCH: On the other hand there are great masses of the Canadian people who have no interest in trust or insurance companies.

Mr. GRAYDON: I rise to my feet at this time largely because of a remark made by the hon. member for York South who referred to the possibility of victory bonds being worth less than par at some time in the future. This matter was discussed during a previous debate, and I thought it was made fairly clear that the only real danger so far as these bonds were concerned was the possibility, remote though it may be, that the party of which the hon. member was a member would at some time get into power. I should like to give what I think is perhaps the most recent evidence on this point so that the committee may be fortified in its desire to see that our bonds remain where they are. I think the best evidence we can offer at the moment that the Cooperative Commonwealth Federation is not likely to come into power is the results just handed to me of the Ontario by-election in Haldimand-Norfolk. The Progressive Conservative candidate has been conceded election by a clear majority over all, and then a good deal, with the Cooperative Commonwealth Federation candidate running a very bad second. I think we can be charitable and say that the Liberal candidate was also in the field.

Mr. WRIGHT: The leader of the opposition has introduced another note into this matter.

Mr. HOMUTH: It is the same old note but with a clearer tone.

Mr. WRIGHT: In connection with the guarantee of government bonds I should like to refer to the statement of the governor of the Bank of Canada who said that the amount of debt did not matter as much as the distribution. I wish to ask the parliamentary assistant some questions in connection with that. I do not suppose the figures are available for the last victory loan, but I should like to know how many bonds sold on time in the second to the last victory loan were paid for before the next loan was floated. How many of those bonds were disposed of within a year from the time the final payment was completed? I have been given to understand that large numbers of the smaller bonds are being turned in each year, and in order to have some idea of the distribution we should have these figures.

In connection with the guaranteeing of bonds I should like to ask another question. When men return from overseas and take up land under the Veterans' Land Act or buy homes under a housing scheme and have to pay ten per cent down, will the government accept at par the bonds which those boys are buying to-day out of their meagre earnings?

Mr. ABBOTT: I think my hon. friend has asked me three questions. First of all, how many bonds which were purchased on the

instalment plan in the fourth victory loan were paid for before the next loan came along; is that correct?

Mr. WRIGHT: Yes.

Mr. ABBOTT: That information may be available. I did not anticipate that it would be asked for to-night and I am afraid I have not it here. As to the second question, how many were sold, the government would not have that information. It is perfectly open to the holder of a bond who has received delivery of it to sell it through a bank, an investment banker, or any of the security dealers, and the government would have no record of those successive transactions. Therefore any information which the government might have on that could only be an estimate.

Mr. WRIGHT: Does the parliamentary assistant not think it is a very important thing to know?

Mr. ABBOTT: It may be important.

Mr. WRIGHT: How many of the small holders are retaining them?

Mr. ABBOTT: It may be an important thing to know, I agree. The government would be very much interested and I would be very much interested to know, but I do not know how we are to get the information as long as there is a free market for the sale of bonds. Those securities are bearer securities. They may be transferred from hand to hand. They are being bought and sold every day and the government has no record of those transactions and could not possibly have any record of them. Therefore any information the government may have on it would be a pure estimate, a pure guess.

Mr. WRIGHT: Would the government not have any idea of the numbers that are sold to the banks?

Mr. ABBOTT: I have no information here, and I do not know that the government has any definite information as to just how many bonds are handled by the banks. I should think they would not have.

Mr. WRIGHT: With respect to the government accepting those bonds—

Mr. ABBOTT: Mr. Chairman, I dealt with that the other day when my hon. friend raised it on the motion to go into supply. My hon. friend has cited the case of a returned man who wants to make a payment on a house or a farm and he has government securities which he wishes to use in order to make the payment. If he wished to do that he could dispose of his securities and use the money for the purpose of making his payment. I answered my hon. friend the other day and now he is trying to get me to give a different answer from the back-door.

Mr. WRIGHT: No; I beg your pardon. The parliamentary assistant to the Minister of Finance cannot put words into my mouth. I did not try to get an answer from the back-door. I am trying to get some statement from the government that they would accept the bonds at par.

Mr. ABBOTT: I did not mean to offend my hon. friend when I said that. I shall answer the last part of it. It is a matter of government policy which will be announced in due course if any such decision is made; but I answered my hon. friend the other day as to whether the government was prepared to guarantee a market for bonds of any and all maturities at par. I pointed out to him that this would mean in effect that all government borrowings would be demand loans, and I gave that as one reason why the government was not prepared to give any such guarantee.

Mr. WRIGHT: My suggestion was that a floor be placed under them.

Resolution reported, read the second time and concurred in. Mr. Abbott thereupon moved for leave to introduce bill No. 38, to authorize the raising, by way of loan, of certain sums of money for the public service.

Motion agreed to and bill read the first time.

SUPPLY

BEET SUGAR INDUSTRY IN CANADA—STATEMENT OF MR. BLACKMORE

Mr. D. C. ABBOTT (Parliamentary Assistant to the Minister of Finance) moved that the house go into committee of supply.

Mr. J. H. BLACKMORE (Lethbridge): On Friday, March 18, I promised that at the earliest opportunity I would reply to the Prime Minister's attack of March 10 upon certain remarks of mine of March 7, in which I said I believed that the quality and price of sugar in Canada had been manipulated by a trust or combine. I have no doubt the vested interests of Canada are highly gratified with the Prime Minister's vigorous defence of their prerogatives, and the reputedly richest man in Canada, J. W. McConnell, of Montreal, must be indebted to the Prime Minister for his eloquent testimonial of that gentleman's patriotism. I raised no question as to Mr. McConnell's patriotism. I raised a question

which the Prime Minister could have answered "yes" or "no"; but he did not answer that question. I did ask several other questions. The question which the people of Canada have a right to have answered is the one which I did submit to the Prime Minister. May I repeat the questions which I asked? I turn to page 1278 of *Hansard* and I find this is the question I asked:

> What is the relationship existing between the government and this great sugar combine, and between the government and the head of this corporation, one John W. McConnell?

That is the first question. The second question is:

> Why has the government condoned this manipulation in the sugar industry? It would allay considerable suspicion in this house and throughout the country if the Prime Minister would rise and categorically state that the Liberal party has never received, directly or indirectly, from the St. Lawrence Sugar Refining Company, from J. W. McConnell, or from anyone representing either or both of these, or any other Canadian sugar interest any contribution of money for the campaign funds of the Liberal party.

The answer to that question could have been given as either "yes" or "no". The Prime Minister must have known the answer. He did not choose to give the answer. I am sorry he is not in his seat at the present time.

Hon. C. D. HOWE (Minister of Munitions and Supply): Mr. Speaker, I can assure my hon. friend that the Prime Minister did not know and I do not know. The members of the government do not handle campaign funds.

Mr. DOUGLAS (Weyburn): They know where they come from.

Mr. HOMUTH: Who does?

Mr. HOWE: No.

Mr. DOUGLAS (Weyburn): They ought to know.

Mr. BLACKMORE: We have that much at least, whatever it means. The question arose out of my expression of belief that efforts were successfully made before and during the present war to restrict artificially the production of beet sugar in Canada so that the cane sugar interests might prosper at the expense of the people, prosper not only through prices but through having the Canadian market reserved for their cane sugar. It is a fact which is perhaps not as well known throughout Canada as it might be that the cane sugar interests are desperately anxious to reserve the Canadian market for their own product; and consequently they will go to almost any limit in order to avoid having beet sugar production increased in the Dominion of Canada, and from that very fact we are suffering to-day.

[Mr. Blackmore.]

May I give some evidence upon which I base my suspicion that the production of beet sugar in Canada has been deliberately restricted by the Liberal government ever since that government came into power. First of all I wish to read into the record a statement which perhaps is almost forgotten by a good many, showing that the Liberals had no excuse for neglecting the beet sugar industry in Canada. In 1932, in this house, under the administration of the Right Hon. R. B. Bennett, there was appointed a select standing committee on agriculture to conduct an investigation into the beet sugar industry. These men, among whom were a good many Liberals, did a thorough job. They called many reputable witnesses. After having conducted what they considered to be a thorough probe, they submitted a report in which the following words appear: I quote from *Hansard*, 1932, pages 1606 and 1607:

> Your committee therefore recommend that in view of the existing tariff on sugar and in consideration of the substantial payments being made to agriculture and labour by the beet sugar factories at present in operation, the cane sugar refineries should undertake to provide for a gradual increase in factory facilities for the refining of beet sugar in Canada, and that, with the additional advantages in freight rates to points in the middle west, heretofore described, factory facilities should now be steadily increased in western areas where beets are grown, and thereby make it possible to produce from beets a more substantial percentage of the sugar consumption of Canada.
>
> Your committee further recommends that if no successful attempt be made in the immediate future by the refineries to increase the facilities for the manufacture of beet sugar, the government should take into consideration steps to accomplish that end.

I had thought that it should be worth while to bring in the names of the Liberals who were on that committee. However, I will omit to mention them to-night. But there were a number of hon. members in this house in 1932, before the many labour-saving devices which have been brought into the beet sugar industry had been introduced, and therefore before beet sugar could be manufactured nearly as cheaply as can be done nowadays, who were advocating an increase in the production of beet sugar.

I have in my hand a brief which was prepared by the present parliamentary assistant to the Minister of Labour (Mr. Martin). That parliamentary assistant prepared a very fine brief; it did him credit. He was in favour of increasing the beet sugar production in Canada. Unfortunately his labours, since I have been here, have been so arduous that they have prevented him from getting round to the point of making a speech in support of beet sugar, although several times, while I have been speaking, he has kindly interjected remarks

which indicated that he was sympathetic with my point of view, and I am sure he continues to be sympathetic.

Mr. MARTIN: Undoubtedly most of the information in the hon. gentleman's speech comes from my brief.

Mr. BLACKMORE: Undoubtedly; I seek knowledge wherever I can find it. I wish the Liberals would do the same. The trouble with the Liberals is that they think that anything which does not come from Liberals is not worth listening to.

I find on page 41 of that brief the following words:

> It is not too much to ask of the federal government a definite consideration of the problem that will bring about a heavier consumption of beet sugar in Canada, thereby providing Canadian farmers with a greater income resulting from readier cash crops...
>
> Furthermore, the government might well consider an advertising campaign to stimulate the use of beet sugar. In this way the unfair prejudice against beet sugar would gradually, but effectively, be eliminated.

These words do the hon. member great honour. This brief was submitted to the Hon. C. A. Dunning, then Minister of Finance, and to the present Minister of Agriculture (Mr. Gardiner), at a conference held in the office of the Minister of Finance (Mr. Ilsley) on Thursday, March 5, 1936, at eleven o'clock. I was present at that time. I think the Liberals cannot beg that they just did not know how important the beet sugar industry was in Canada: they cannot offer that plea in excuse. The Minister of Agriculture in the spring of 1937 sent Doctor E. S. Archibald out west to examine the beet sugar industry in Alberta. Whether the minister did that merely in order to make a fine gesture or whether he really wanted to find out what were the conditions in the industry, no one is able to say. But Doctor Archibald went out, conducted an examination and came back and submitted, on October 28, 1937, a thorough and comprehensive report, in which he showed the great value of the beet sugar industry to Canada. He did not make any definite recommendation. I have often wondered why. I have often wondered whether the reason he made no recommendation was that a certain thing had occurred in the spring of 1937, to which I shall refer by and by.

The Alberta Cooperative Sugar Beet Growers' Association made a submission to the Rowell-Sirois commission, exhaustive and unanswerable in its arguments. Anyone who read that brief would realize that the beet sugar industry, at least in the west, was one which could not possibly be with impunity disregarded. It proves that the industry is economic and a success in every way. From page two of the report I read the following quotation:

> To indicate the value of this industry to the agriculture of our district, the community in general and the Dominion of Canada, we submit the following figures relating to the 1937 beet crop:
>
> 235,481 tons of beets were produced from 19,829 acres of irrigated land—an average of 11·88 tons per acre.
>
> 75,603,700 pounds of sugar were manufactured.
>
> 3,813 pounds was the per acre yield of refined sugar.
>
> $3,040,000 worth of sugar was manufactured.
>
> $155 was the total gross return per acre.
>
> $77.50 was the gross return to the manufacturer.
>
> $77.50 was the gross return per acre to the farmer.
>
> The farmers' costs approximated $60 per acre which includes $25 per acre for hand labour by the farmer. These figures were given in a speech made by T. George Wood, Manager, Canadian Sugar Factories Limited, at Lethbridge, Wednesday, March 23, 1938. We believe that this land is producing more food value per acre than any other land in the dominion.
>
> Sugar beets of the highest quality can be grown, harvested and manufactured into refined sugar on all of our irrigated lands in Alberta. This industry has, in the districts where it is established, made a tremendous contribution toward the prosperity of both the urban and rural sections and to our national economy.
>
> The annual returns from the Lethbridge northern irrigation district rose from $761,000 in 1935 to $1,057,000 in 1936, the first year the new sugar factory operated in that territory.

If that year is in any way an indication of the ordinary performance of the beet sugar industry in Alberta, it is to be seen that the statement that the beet sugar industry is an economic success cannot possibly be refuted.

Something comes into the picture which is astonishing and which, I think, reflects great discredit upon the Liberal government and opens the way for the suggestion which I made the other day. In London, between April 5 and May 6, 1937, was held an international sugar conference. In that conference someone—and I have never been able to find out who it was—is quoted as having said the following:

> At the same time the government of Canada reiterates the assurance already given, that they do not propose to stimulate the production of sugar in Canada during the term of this agreement—

I interpolate here the remark that five years was the length of the agreement.

> —by subsidy, increased protection, special remission of taxes, or by any other similar measure.

Mr. MacNICOL: Whom is the agreement between?

Mr. BLACKMORE: Apparently it was a world agreement for the restriction of the production of sugar.

Mr. MARTIN: Who was the author of that statement?

Mr. BLACKMORE: That is what we all want to know. We have been trying to find that out since the statement was made and we cannot find out. Canada, astonishing as it may seem, the government of Canada, has held itself bound by that statement, as though the statement were its bond. Who made that statement for Canada? That is an important question.

Mr. HOMUTH: Who represented Canada at the meeting?

Mr. BLACKMORE: We cannot find that out. I have tried to find out and I have put a question on the order paper. Who gave him the authority? We want to know that. Was the consent of the cabinet given in any resolution? Was any province consulted? Was this statement submitted to the cabinet after it was made? Was it passed? Was it submitted to any province? Was it submitted to parliament? As far as I can judge, the answer to every one of these questions would be no. Now, who is this individual, who sent him there, and under whose influence did he agree to that convention? That is the question that has to be answered.

Mr. HOMUTH: He is the little man who wasn't there.

Mr. BLACKMORE: Well, his works remain; his tracks are there. If the answers to each of those questions must be no, then what? I think when the Prime Minister (Mr. Mackenzie King) and the hon. member for St. Antoine-Westmount (Mr. Abbott) finish explaining that matter they will remove a lot of suspicion in this country, and I think the Prime Minister will not be so eager to rush into parliament and accuse me of irresponsible utterances.

What did the United States do with respect to that agreement? The representative of the United States signed the agreement, and then the house of representatives and the senate of the United States repudiated it, refused to ratify it. Can anyone give me any reason why the United States, after signing the agreement, should refuse to ratify it, while Canada, without having signed it, would hold herself bound by the thing? If there was not some secret influence at work it is going to be pretty hard to make any hard-headed man believe it. It is astonishing.

Let it be borne in mind that in that year the war clouds were already threatening. Any man of vision could see that war was coming; any man with judgment could see it. Furthermore, any man of vision, with any kind of information, would know that the war which was coming would be a war of bombs, of surface raiders, a war of submarines, and that consequently the sugar supply of Canada would be seriously threatened and that the sugar supply of the world would be destroyed. And anyone who reflected on Canada's happy position would realize that this country was in an admirable position to become the sugar-bowl for the needy world. Yet what was done?

The question springs into my mind: Was the government in its sugar policy, with respect to beet sugar, accommodating friends, or was it placating potential enemies? When I asked whether or not the Liberal party had received campaign funds from these gentlemen I was not insinuating that the Liberal party would necessarily be doing a reprehensible thing if it had received campaign funds.

Mr. HOMUTH: Oh, they would never do that.

Mr. BLACKMORE: I was not implying that. What I was indicating was simply this—what the Prime Minister apparently failed to get. I wondered whether he was doing what he did with respect to beet sugar in this country because he wanted to help his friends or because these interests were so powerful that he did not dare do otherwise.

Mr. HOWE: On a point of order, my hon. friend is suggesting that the Liberal party has entered into an agreement with persons unknown not to extend the sugar industry. I would point out to him that there has been more expansion of the sugar industry in the last five years than in any other five years.

Mr. MACKENZIE (Vancouver Centre): On a point of order, I also wish to point out to the hon. member that under section 158 of the criminal code, if he is making allegations of this kind he should proceed in the customary fashion, according to that section of the code; otherwise he has said too much or too little.

Mr. BLACKMORE: Yes; I know the Minister of Pensions and National Health (Mr. Mackenzie) is a champion bluffer, but he does not bluff me, and I am perfectly aware of the protection I have in this house. I would point out to the hon. member that a man, in order to attack interests so powerful as the ones I am trying to move, needs all the protection he can get because they, the interests, have plenty of it.

Mr. SPEAKER: I am not so much concerned with the remarks the hon. member

made against the government, but I did think he stated that the Prime Minister was responsible for this reprehensible practice.

Mr. BLACKMORE: I think you will find, Mr. Speaker, that the record will show that is not the case.

Mr. SPEAKER: If the hon. member tells me that I am wrong in my impression I will take his word, but that was what I understood him to say.

Mr. BLACKMORE: I am endeavouring to speak loudly enough so that Your Honour will hear, but perhaps it is difficult at that. I did not say anything to reflect on the Prime Minister's honour.

Now I will deal shortly with the remarks of the Minister of Munitions and Supply (Mr. Howe). Suppose the industry has expanded; it has not expanded in my area to any great extent. I have some other things which it would do the Liberals good to contemplate.

Mr. HOMUTH: They will have a lot of time to do it after the next election.

Mr. HOWE: I suggest that it has expanded in the hon. gentleman's area in the last few years.

Mr. BLACKMORE: We shall leave the records to show it.

Mr. HOWE: One of the last jobs I did was to design the extension of that plant.

Mr. BLACKMORE: I know just what has happened out there; I did not have to come here to learn it. What has happened since that agreement was signed or arranged or made or condoned or acquiesced in, or whatever is the word, in London? What has Britain done? Has she held herself bound by that agreement? Let me read from the report of the Alberta Cooperative Sugar Beet Growers. It am quoting from the 16th Annual Report, page 24:

> Action has also been taken to increase beet sugar production—

That was in 1940.

> —in Britain. The price to be paid for beets has been raised by three shillings and nine pence the ton. The farmers have been told that they could count on further subsidies if this price should not guarantee them a sufficient return. A subsidy of £2 per acre is also being granted for ploughing up grass lands for beets and certain other crops. The government hopes that these measures will bring the beet area for 1940 to 400,000 acres; the area in 1939 was 336,441 acres.

That indicates how mother Britain found it necessary to deal with this agreement when the war came on; but did it make any difference to Canada? Oh, no; she never changes once she gets on a wrong path. You never find Canada deviating at all.

Mr. LaFLECHE: Don't sell Canada short; it doesn't pay.

Mr. BLACKMORE: It would be nearly impossible to sell her much shorter than the Liberals have done already; she is short of nearly everything. What happened in Canada? I have in my hand a statement issued by the wartime prices and trade board on May 2, 1940, in reply to a statement given to the press on May 1, 1940, by the chairman of a committee representing the Southern Alberta Beet Growers association; this will be found in the Ottawa *Citizen* of May 2, 1940:

> At the conclusion of the interview the chairman—

That is the chairman of the wartime prices and trade board.

> —stated explicitly to the delegation that the "wartime prices and trade board, as a federal authority, was not in a position to do anything whatsoever to assist the expansion of the sugar beet industry in Canada."

And further on:

> "At no time was any suggestion made," said the chairman, "that the wartime prices and trade board would proceed either directly or indirectly to encourage the expansion of the beet sugar industry."

Oh, what immaculate honour! At that time was not Hitler's power apparent? Had not most of the nations of western Europe fallen? Had not people everywhere awakened from their idiotic dream that Hitler would not last? Then why could nothing be done to assist in preparing this country against the dangers that yet lay ahead?

But we have not yet reached the climax. In the spring of 1941 word came out from Canadian Sugar Factories Limited—page the Minister of Munitions and Supply!—at Raymond that 1,300 acres of beets must be taken out of cultivation that year. In that area 1,300 acres of beets under normal conditions would produce 5,569,200 pounds of sugar. The reason given by the factories was that they had 200,000 hundredweight of sugar in their warehouses which they could not sell. Who was at fault because they were unable to sell? Let me read a statement from order in council P.C. 1983 dated May 15, 1940, setting forth the powers of the sugar controller. Hon. members will notice that he started his work in May of 1940, while the incident to which I have been referring took place in 1941, so that he had had time to find his way around. These are the words:

> All sugar refiners in Canada shall sell to the sugar administrator as and when required by him, all raw sugar, and all refined sugar, syrups, liquid sugar and molasses manufactured from beets or cane now or hereafter in their possession at such prices as the sugar administrator, under the direction of the wartime

prices and trade board, from time to time may prescribe and, to effectuate such power, the sugar administrator, under the direction of the board, shall have power to take possession of all or any such sugars accordingly.

Who appointed the sugar administrator? The Liberal party. At whose instigation? Well, you tell me. Whose business was he doing when he would have allowed these 1,300 acres to be taken out of cultivation? Let someone supply the answer; I have been trying to find out. Certainly he was not looking after the welfare of the people of Canada. Undoubtedly it was that man's fault that 200,000 hundredweight of sugar remained unsold in the storehouses of these factories. Whose fault was it that 1,300 acres were to be taken out of cultivation? It was the fault of no one but the sugar controller. Whoever appointed him, whoever instigated his appointment, was responsible for the decision to take that land out of cultivation. Fortunately, because of the pressure of public opinion, the unwise decision was rescinded and the 1,300 acres were put back into cultivation. Let us remember that this was in 1941. In those days there was no doubt about the terrific power of the enemy we were fighting; yet there were men in this country who could toy with an industry upon which the very lives of the people depended. For whose benefit? Well, we are all trying to find out. I suggested an answer.

Then we had rationing, and now we have scarcity. I am going to call upon the Toronto *Globe and Mail* to consider the array of evidence which I have submitted, and I wish to ask them to take a little time off to explain, in the light of that evidence, how they justify themselves in characterizing my remarks as irresponsible utterances. Someone in this parliament, Mr. Chairman, must rise and defend the cause of the common man; but he who stands in this House of Commons and undertakes to battle for the truth finds all the terrible powers of this country dead against him, and that he must labour under every handicap. Then, if he endeavours to use the rules as a means of strengthening himself, he must be abused by what should be a responsible newspaper and by those who should be responsible men. It does not hurt me; I came here to defend the cause of the common man and I am going to defend it. Now I invite the Prime Minister and the Toronto *Globe and Mail* to spend any necessary amount of time to prepare a satisfying explanation.

Mr. MARTIN: You would not have them together?

[Mr. Blackmore.]

Mr. BLACKMORE: No; they had better work separately, though apparently they did not do so in the last instance; the one copied from the other. Let them prepare an explanation that will satisfy any hard-headed, common-sense man, an explanation that will justify the government in following the questionable policy with respect to sugar which has prevailed in this country. I shall be told, as one of the stock reasons why it is necessary to avoid any expansion of the beet sugar industry during wartime, that we must not have too much beet sugar producing capacity at the end of the war because we have to sell abroad and therefore we must buy abroad. That is the stock argument. May I ask those who would bring forward such a foolish argument if we ought to stop manufacturing agricultural machinery in Canada in order that we might buy from Britain or Germany. Should we stop manufacturing shoes and clothing in Canada in order that we might buy from the United States, in order that we might sell our wheat? Should we stop manufacturing lumber in order that we might trade with Russia, or stop manufacturing cheese and butter in order that we might trade with our sister dominion, New Zealand? Those sound like intelligent proposals, do they not? Or should we stop producing oil in order that we might trade with Roumania?

Mr. MacNICOL: That is one thing of which we are producing very little in Canada.

Mr. BLACKMORE: But should we stop even that little production? Well, if we would not stop producing these commodities we have mentioned, why stop producing sugar from beets?

Mr. HOWE: When did we stop?

Mr. BLACKMORE: When limiting production.

Mr. HOWE: When did we do that?

Mr. BLACKMORE: In 1941, and ever since the signing of or the acquiescence in the international trade agreement, as I have abundantly proved. I think the minister will find, when he reads my remarks in *Hansard,* that it will be hard to find an answer to them.

Some will say: "Is the sugar from the beets as good?" Yes, it is exactly the same kind of sugar. It is the same, chemically, as sugar wherever you find it, or whatever it is made from.

Then they will say: "Is it cheap enough?" I point out only this fact, that according to the report which I have here from Canadian Sugar Factories Limited, for 1938—and I am speaking

from memory, although I am sure I have it right—they sold their sugar for a net price of $3.94 a hundredweight in 1937.

Mr. MacNICOL: F.O.B. mill?

Mr. BLACKMORE: That is the year they made $155, to which I refer. I say that $3.94 a hundredweight is pretty cheap sugar.

Mr. MacNICOL: At what point?

Mr. BLACKMORE: At the refinery. All this manoeuvring of the Liberal party in connection with the restriction of the production of beet sugar I think we must characterize as the most effective government cooperation with somebody—and if not the sugar interests, then with whom?

Mr. ABBOTT: There has never been any restriction of the production of beet sugar.

Mr. HOWE: There has been an expansion in every year of the war.

Mr. BLACKMORE: Some men looking at sunlight in broad day would declare it was dark. This is cooperation with these interests in what appears to be an international conspiracy to impose either scarcity or high prices or both upon the people of Canada, through an agreement on Canada's part to refuse to assist in any way the expansion of the beet sugar industry in Canada—the beet sugar industry, for which Canada is extraordinarily well adapted. I see no way in which one can explain that in any other way.

Now, another serious thing: This participation, in the international sugar agreement appears to be not only a conspiracy to foist high prices upon the Canadian people but, perhaps worse still, and yet more sinister, it appears also to be an agreement, or complacency, or conscious if not wilful acquiescence on the part of the King government, in an international plan to rob Canada of her economic independence.

Sugar is one of the most vital needs of the Canadian people. In fact it is practically indispensable to them. Imagine how helpless might be the condition of the Canadian people if an international organization, desiring to brow-beat Canada into some policy repugnant to Canadians were to threaten to withhold from Canada the sugar her people needs! In such a condition the threat of withholding sugar would be a fearful weapon, through the use of which an international organization could destroy Canada's independence. It would be a weapon even more potent than an international police force. I repeat: it looks as though the King government had been at least cooperating with interests definitely aiming at the destruction of Canada's sovereignty.

There are some who smile. I will tell you that if some of the schemes which these supranational government artists are trying to have fixed on this country succeed, the smile will be on the other side of the face. This method of food control is exactly the strategy and technique by which they seem to intend to work.

Let the people of Canada know, and I hereby declare to them that, except for the opposition of the sugar interests and the government's acquiescence in that opposition, the domestic production of sugar in Canada could now be meeting the domestic non-rationed requirements not only of Canada but of a very considerable portion of the English-speaking world. Let me give the house just a few figures to indicate the truth of what I say. The hon. member for Essex East (Mr. Martin) in his brief points out that the county of Lambton alone could produce twenty five per cent of all Canada's sugar needs in peacetime. They could support four factories of 1,200-ton slicing capacity. And he points out that Kent, Essex, Middlesex and Huron are all counties admirably adapted to the production of sugar beets, and that they could produce the sugar which Canada requires. Why is that not being done?

Now, in Doctor Archibald's report, to which I referred earlier, with respect to the Alberta sugar beet situation, published on October 28, 1937, he points out that only 20,000 acres were being used in Alberta for the production of sugar beets, and that 200,000 acres of irrigated land of just as fine quality were available for sugar beet production in that province. May I point out that in my constituency by the expenditure of $15,000,000 in the construction of the Lethbridge south-east water conservation project 350,000 more acres of as fine quality as are now producing sugar beets could be brought into cultivation. There is no doubt in the world that Canada can produce all the sugar she needs.

I turn now to the hon. member for St. Antoine-Westmount. I wish I had time to deal with his speech categorically, but I shall be able to make only a few comments with respect to it. As for his contribution to the debate I would say that as one who comes from the citadel of high finance the faults in his argument can be explained. Any man who undertakes to talk about matters concerning which he has little information and less understanding will naturally blunder at every turn, as did the hon. member for St. Antoine-Westmount.

Mr. ABBOTT: What is the hon. member reading from?

Mr. BLACKMORE: Does the hon. member wish me to read the article?

Mr. ABBOTT: I am glad to see he has committed it to writing.

Mr. BLACKMORE: I am referring to the speech which he delivered, with respect to my speech. Of course he thought my remarks were full of inconsistencies. It requires a well-informed man to follow the reasoning of another well-informed man. The hon. member for St. Antoine-Westmount appears to argue that even if Canada had been committed to beet sugar industry of no matter how great an extent, her domestic sugar production could have made no difference to the quantity of supplies available for war-time consumption in Canada.

Suppose, Mr. Speaker, that Canada had thirty sugar factories of 1,200-ton slicing capacity, which she could easily have in Alberta and Ontario alone, and producing one and a half times the amount of sugar she needs, are we to be told in all seriousness that that production would make no difference to the sugar which the Canadian people would have? If that is the case, then I ask what foolhardy policy it was that dictated the signing of an agreement which rendered such a thing as that possible?

Mr. MacNICOL: The hon. member left out Manitoba in his list of provinces which could produce beet sugar. They are growing sugar beets out there, and also have a sugar beet factory.

Mr. BLACKMORE: I knew that the Manitoba people would not mind. The point I wished to make was that two provinces alone in Canada could produce one and a half times the sugar we need. And if you bring in the other provinces there is no reason in the world why this country should be without sugar. This thing of trying to argue the Canadian people into the idea that it is the war which brought on the shortage of sugar is simply deluding the people. There must be a complete change in the whole outlook in respect of many commodities produced in this country. We must stop the restricted, short-sighted, narrow-minded point of view, or using the point of view we have had up to the present time. We must reach out in a generous way, we must use the resources of our country and distribute them so that the Canadian people may have abundance.

In closing, I again make an offer to anyone in the Liberal party who thinks he can explain away the arguments I have advanced, and upon which I base my suspicion that secret influence has been brought to bear upon the government to bring about a policy of restriction with respect to the production of beet sugar in Canada since the beginning of the war; to attempt to do so. I have not said anything about prices, although I mentioned prices in my speech. I have an array of figures which would be quite as impressive, and perhaps if the opportunity offers at some time I shall give particulars of the prices to indicate that there has been manipulation resulting in the Canadian people having to pay more for their sugar than they should have had to pay.

Mr. E. E. PERLEY (Qu'Appelle): Mr. Speaker, I am not very anxious to get into this debate, but several references have been made to the party of which I happen to be a member. There are at present in the house four members who were members of the agriculture committee which sat in 1932. The hon. member for Haldimand (Mr. Senn) was the chairman; the hon. member for Wood Mountain (Mr. Donnelly) was a member, as well as the hon. member for Yale (Mr. Stirling) and myself. The question of encouraging the production of sugar from beets in Canada was referred to that committee. I have before me the report of the committee which was presented to the house on April 1, 1932, and I should like to read one or two paragraphs from the report, as follows:

> The evidence submitted established the following facts regarding the industry:
>
> 1. That the production of sugar beets has been carried on very profitably in certain districts of Ontario and Alberta; that the area under cultivation has increased from 25,000 acres in 1921 with a yield of 200,000 tons to 42,000 acres in 1931, with a yield of approximately 435,000 tons, and that the production of refined beet sugar has increased from 53,000,000 pounds in 1921 to approximately 100,000,000 pounds in 1931.

That is in ten years. The report goes on:

> 2. That large additional areas, suitable for the growth of sugar beets, are available in Canada.

And again:

> 5. That the sugar beet factories at Chatham, Wallaceburg and Raymond are now operating at full capacity, and that no further development of the beet sugar industry in Canada is possible until manufacturing capacity is increased.

The final paragraphs of the report read:

> Your committee therefore recommends that in view of the existing tariff on sugar and in consideration of the substantial payments being made to agriculture and labour by the beet sugar factories at present in operation, the cane sugar refineries should undertake to provide for a gradual increase in factory facilities for the refining of beet sugar in Canada, and that, with the additional advantages in freight rates to points in the middle west, heretofore described, factory facilities should now be steadily increased in western areas where beets are grown, and thereby make it possible to produce from beets a more substantial percentage of the sugar consumption of Canada.

Your committee further recommends, that if no successful attempt be made in the immediate future by the refineries to increase the facilities for the manufacture of beet sugar, the government should take into consideration steps to accomplish that end.

I read from that report to show that the government of that day and the agriculture committee of that day were ready to encourage the production of beet sugar in Canada. Since that time there has been a considerable increase in the production of beet sugar in Manitoba. There is a splendid refinery located there and I suggest to all hon. members that they visit it. It is one of the best in Canada and it has great possibilities. I say these few words to show that the party of that day was interested in increasing the beet sugar industry of Canada.

Hon. C. D. HOWE (Minister of Munitions and Supply): Mr. Speaker, the sugar agreement of 1938 was wholly to increase the supplies of sugar and to divide them equally among the people who were preparing for war. During every one of the last five or six years there has been an expansion in the sugar beet industry. The sugar beet refinery in Winnipeg which was referred to was completed within the last three or four years, and recently a new industry has been started in Quebec. I can assure my hon. friend that if any other interest wishes to increase the production of beet sugar in any area of this country they will have the support of the government, as has every other beet sugar project that has come along.

In connection with the project in Quebec there was an acute shortage of building materials, and it was difficult to justify the use of the materials for that purpose when they were needed for direct war projects. Nevertheless the government decided that the project was of such importance that an exception must be made and the beet sugar plant in Quebec was classed as a war project.

I can say categorically that this government has taken no action that would in any way limit the production of sugar in Canada. I can give evidence of the fact that we have given every assistance to those interests that wished to expand the production of beet sugar in this country.

Mr. BLACKMORE: How about the 1,300 acres in 1941?

Mr. HOWE: That is absolute nonsense.

Mr. BLACKMORE: It is not nonsense. My hon. friend has just forgotten, that is all; he does not know.

Mr. P. C. BLACK (Cumberland): What about the old and well established sugar refinery in Halifax which was closed down recently because of war conditions. The conditions that forced the closing of that refinery have pretty well rectified themselves. Cane sugar is now coming into Halifax harbour and going to other parts of Canada. Can the minister give the house any information as to when the Acadia sugar refinery will reopen and again be producing sugar?

Mr. HOWE: The house is not in committee. My hon. friend is standing up for the sugar barons who use cane sugar. I may say that no action of the government closed the refinery in Halifax. It is my understanding that it was bought by private interests who decided that it was better closed than open.

Mr. BLACK (Cumberland): The government had no authority to keep it open?

Mr. HOWE: The government has plenty of authority.

WAR EXPENDITURES COMMITTEE—IN CAMERA SITTINGS—MR. HOMUTH

Mr. KARL K. HOMUTH (Waterloo South): Mr. Speaker, now that we have finished a sweet subject, perhaps I may be pardoned for interjecting something sour into the debate. I do this because I feel the matter I have in mind is of considerable public importance and is directly associated with the activities of the Department of Munitions and Supply. I know of no other time to take up this matter than on the motion to go into supply. I refer to the matter of whether the war expenditures committee should sit in camera or in public and to the question which I had with Mr. Speaker with regard to it.

Mr. SPEAKER: I think the hon. member has given me sufficient indication of what he intends to speak on. He is proposing to deal with an opinion which I gave to him personally regarding the secrecy of the meetings of the war expenditures committee and I must rule that on the motion to go into supply the hon. member cannot discuss that matter. The rule is perfectly clear according to citation 568 of Beauchesne's Parliamentary Rules and Forms, third edition, which reads as follows:

> Until the report and evidence have been laid upon the table, it is irregular to refer to them in debate, or to put questions in reference to the proceedings of the committee.

The reference is to select committees. That rule is also borne out by Bourinot's Parliamentary Procedure, at page 474, wherein it is stated:

> Until a committee report, it is irregular to refer to its proceedings in debate in the house.

For instance, in the session of 1873, Mr. Huntington was proceeding to refer to certain papers and letters relative to an important matter under the consideration of a select committee; but the speaker decided in accordance with English precedents that they could not be read in the house (a). Neither can a committee report the evidence taken before a similar committee in a previous session. . . .

The matter that the hon. member has referred to is a matter under discussion in the committee. It is not before the house. It is not a grievance in the sense that the hon. member for Lethbridge (Mr. Blackmore) spoke of this evening. It is a matter purely of proceeding, which is within the hands of the committee. It is not before the house and therefore I must rule that the hon. member cannot bring it up.

Mr. HOMUTH: But is a grievance. It is one of those grievances that we cannot bring before the house and the hon. members are stymied.

Mr. SPEAKER: The hon. member will have opportunities in the proceedings of the house but I cannot now indicate them. At the moment we are on the motion to go into supply. It is not a grievance in the sense that is intended when the committee of supply is being set up. As I have already said, it is a matter that is before the committee. It is a proceeding which they are dealing with. It is a matter which cannot be brought before the house in the manner in which the hon. member is now trying.

Mr. GRAYDON: May I crave Your Honour's indulgence for a word in this matter?

Mr. SPEAKER: I am always ready to listen to the leader of the opposition, but in this instance my position is perfectly clear. I have no doubt in my mind as to the soundness of the rule I am now propounding and it must be taken without argument.

Mr. GRAYDON: I am sorry Your Honour made that ruling because this is the situation in which we find ourselves. The committee has ruled in a certain direction. We have an appeal to Your Honour but we are not allowed to exercise that appeal. In a few words, that is what it means.

Mr. SPEAKER: There will be opportunities in this house when the matter can be brought to the attention of the Chair.

Mr. GRAYDON: What are they?

Mr. SPEAKER: At the moment there is, in my judgment, nothing before the Chair which would justify the hon. member in bringing up this question when going into supply.

[Mr. Speaker.]

Mr. GRAYDON: He can never bring it up then.

Mr. SPEAKER: I have ruled.

CASE OF DESERTER AT LONGUEUIL—MR. POULIOT

Mr. JEAN-FRANÇOIS POULIOT (Témiscouata): Mr. Speaker, in accordance with your ruling I shall not speak about that matter. I wonder if the leader of the opposition has something more to say. I have another case that I shall bring to the attention of the Minister of National Defence (Mr. Ralston). I shall summarize in a few words what it is. There was a fellow who deserted for about a month or two. He was sentenced to the clink in Longueuil, and I am informed that he suffers from sinus trouble. The parliamentary assistant to the Minister of National Defence (Mr. Macdonald) told me that I could have a copy of his examination with a letter from the man authorizing the department to give it to me. I sent a draft letter of two or three lines to his brother and asked him to go to Longueuil and have it signed by the man. The brother could not see him that day, and then I wrote a letter to the man with that draft letter of two or three lines. The letter was along these lines:

I hereby authorize the department to give a copy of my medical examination to J. F. Pouliot.

That letter was registered. The commanding officer said to that man:

If you sign that letter you will be punished for that or if you send that letter.

I am informed that the letter has been signed, has been sent to me and has been held by the officer because I have not received it. Since that time the man has been condemned to bread and water and the restrictions upon him have been more severe. Naturally I do not blame headquarters for that treatment, but there is something wrong there. That man had a most unsatisfactory medical examination. In Longueuil a young man who had heart trouble was ordered to shovel sand in a cart for a whole day. There is something wrong there. I shall ask the minister kindly to send someone from Ottawa, someone who has nothing to do with the garrison at Longueuil and have a report made on that case. It seems to be a reasonable request to make. If the situation is as I am informed it is, it reminds me of the dark ages of long ago. That man cannot be treated like that. I have a right to his examination upon the conditions set by the parliamentary assistant to the minister. He said to me:

Let us have a letter from that man; let us be authorized by that man and I shall give you a copy of the examination.

That man cannot write me. The medical doctors of the army at Longueuil have already, to my knowledge, freed some men. When I complain of this case I know whereof I speak. I know also that these men have been freed after I directed the attention of headquarters to the case. It is time it should finish; whoever is in charge in Longueuil should be severely punished if the facts that I have given are true, and I presume they are because up until now they have been.

Hon. J. L. RALSTON (Minister of National Defence): I want to say to my hon. friend that I have the greatest confidence in the officer who is in charge at Longueuil. I shall be very glad to look into the matter to which he has referred. As he has said himself, it is not a matter for headquarters, but a matter of administration in the district. I shall have an examination made. If he had referred the matter to me I can assure him I would have been very glad to have had it looked into without taking up the time of the house.

Mr. POULIOT: Thank you. I will notify the minister.

TREATMENT OF GERMAN PRISONERS OF WAR IN CANADA—MR. ROSS (SOURIS)

Mr. J. A. ROSS (Souris): On this occasion I should like to raise a question in regard to enemy prisoners in this country. It is not only to-day that the press has carried stories across the country with regard to German prisoners, but on other occasions in my province that has happened for some months past now. To-day the press has carried a report concerning hun prisoners being given free rein at Buckingham. The press states that they drink in taverns and go out with local girls. The ire of townspeople is aroused. This is a quotation from a local paper:

> The prisoners allegedly getting this favoured treatment are engaged in work for the Singer Company in timber limits near Thurso.

The article points out that these prisoners had been taken into Buckingham for dental treatment, I think, by a guard. Following that, the guard took them to the tavern where they drank beer freely. Then he took them in an automobile, and they went to some other place and picked up the other guard along with four girls or young ladies and went carousing around the country that evening. It is quite a lengthy article and it points out the disgust of those people, the relatives of young people serving in the armed services. Certainly it is not a very nice situation. There is a lengthy article which may be found in various papers to-day. The minister will find it there. As I say, had this been the only case I would not have raised the issue right now, but in the Dauphin *Herald*, of Manitoba of February 24 there was a very strong protest, as follows:

> For the second time within two months a German officer from the prison camp on the Riding Mountain has been seen on the streets of Dauphin under very loose courtesy custody.
>
> Doctor and professional man though he may be, he is still a captive German and must be regarded as an enemy of the country.
>
> Shortly before Christmas this same officer was taken in broad daylight and with a full view of everything right into No. 10 service flying training school, R.C.A.F., at Dauphin. The excuse then was that he had to accompany another German prisoner to the air school to have his teeth fixed.
>
> On the same occasion the enemy officer asked if he might visit the medical clinic at Dauphin and permission was readily accorded by the pliant guard.
>
> In the name of the parents of this country whose boys at this very moment are fighting for their lives in Italy we protest against this preferred treatment and we warn the Department of National Defence, that the next time we see this German prisoner on the streets of Dauphin we shall proclaim the fact in three-inch headlines and send a copy to every newspaper in Canada.
>
> This is a war to the death we are now engaged in as many of us already know to our sorrow.

That will indicate that this practice has been prevalent, apparently, in these camps. We have a report to-day from this town in Quebec and these other reports from the area in my native province to the west.

The minister during his own war appropriation bill rather took me to task when I asked a question about recruiting at this time. He said he thought he was getting splendid results following these recruiting parties and dances being held throughout the country. Well, that is going on, on the one hand, and this laxity on the other, and it does not create a very good feeling among the parents and relatives of the boys who are serving overseas to-day. It is a very bad situation.

I maintain that we have not to this day national selective service in operation as we should have for the armed services, for agriculture and for industry. Anybody knows that the system of recruiting to-day is far from satisfactory.

Mr. RALSTON: Mr. Speaker, is this a grievance or is this anything which can be discussed on this motion? I am rising to a point of order. My hon. friend may have been within his rights in discussing German prisoners of war, but I submit he is not within his rights in discussing what has already been discussed on the war appropriation resolution, which was before the committee for three weeks: I myself was here at that time for a

week. I made my answer to my hon. friend. He could answer or not just as he liked. But I say that he cannot take the opportunity now, on a motion to go into supply, to raise a matter which has already been discussed on what in effect were estimates under the war appropriation resolution.

Mr. ROSS (Souris): I shall not deal any further with that phase of the matter. Had I been able to raise the question on the orders of the day I would have preferred to have done it at that time, but I realize how far I could have gone on the orders of the day in this matter.

To many thousands of relatives of our men throughout the country this will appear a very serious situation. To permit such unreasonable conduct by enemy prisoners in our midst is an insult to the relatives of those who are serving overseas to-day on our behalf. The present camp in Riding Mountain was built last fall under a wartime housing scheme. I personally visited it upon its completion, and I say that it is the most up-to-date camp I have ever been in. There are conveniences and comforts there which very few of the pioneers of this country are able to afford to-day. I think our prisoners should have proper treatment, but they should be properly guarded, and insults such as have been allowed in the last few days and few months should not be tolerated in this country. I cannot think of anything more insulting to the relatives of the boys in the armed services. A statement from the responsible minister with regard to this very serious and nasty occurrence is due to this house and to the citizens of Canada.

Mr. G. S. WHITE (Hastings-Peterborough): Before the minister replies I should like to add a word to what has been said by the hon. member for Souris (Mr. Ross) regarding the treatment of German prisoners in Canada. Hon. members will recall that last session the Prime Minister (Mr. Mackenzie King) read a statement in the house regarding the treatment accorded to British and Canadian prisoners held by the Japanese. It was a copy of the statement given in the British House of Commons by Mr. Anthony Eden. Hon. members will recall that almost unheard-of savage and barbarian treatment inflicted by the Japanese on British and Canadian soldiers. I am vitally interested in these Canadian boys because fifty-two of the soldiers from the district in which I reside were at Hong Kong and are now prisoners of the Japanese. I wonder what the parents and the families of the boys who are now in Japanese hands must think when they hear over the radio and read in the press to-day of the de luxe treatment accorded to German prisoners in this country. If any hon. members took the trouble to read the article which appeared in the February 7 issue of the United States magazine *Life*, they will recall the very full statements by American officers and men who escaped from the Japanese in which they give first-hand, accurate information as to the manner in which their prisoners are treated. I protest strongly against the fashion in which these German prisoners are treated in Canada. The hon. member for Souris says it is an insult. To me "insult" is not an adequate description of the feelings of the parents and beloved ones of Canadian boys who languish in Japanese prison camps when they read of the way we are treating German prisoners in this country. I concur in everything the hon. member for Souris has said, and I think it is the minister's duty to make a very full statement on this matter.

Mr. RALSTON: I do not know how many times I am allowed to take part in this debate. I have already spoken once. But I am not going to let the remarks which have been made by hon. members to pass unless you, Mr. Speaker, consider that I am not in order in discussing them.

In regard to the Thurso incident, I, like my hon. friends, first saw it in this evening's papers. My hon. friend does not suppose that I have a personal check on these matters or know all that is going on. But I immediately called up the adjutant general to find out what he knew about it, and I was informed that he was getting a report on the matter and that, as a matter of fact, the director of prisoners of war had already sent someone to Thurso to ascertain what the situation was.

Let me say first of all that, with regard to this matter of prisoners of war in working camps, I warned this house last session that we were having great pressure to allow prisoners of war to work, and I told the house that so far as the Department of National Defence was concerned, we must point out that there were some risks involved, because we could not exercise strict supervision when they were outside the internment camps. We felt, however, in view of the strong pressure which was being brought to bear, that we should do the very best we could to make prisoners of war available for work.

We have not a veteran's guard sufficiently numerous to guard all these prisoners; that is to say, to accompany the individuals. They have to have some leeway. But they are working in camps at the insistence of the public of this country, and I warned them that a certain number of these prisoners would pro-

bably escape. The house seemed to take it as quite all right so long as that labour was provided.

At Thurso, as I understand from the very little I have learned, these men came down to have some dentistry done. There was a corporal with them. I do not want to misjudge his case. I may say that as a result of the incident he is under close arrest. Apparently there were some irregularities, and the irregularities will be looked into. While it is not something which occurs every day, these things do happen from time to time. However, the matter will be gone into thoroughly.

I wish to point out to my hon. friends that when prisoners of war are sent outside the internment camps to do work it is not possible to have a guard for each one of them. When they are brought to a centre they are brought in as small numbers as possible, and it is thought that the guard provided is sufficient under the circumstances. We cannot possibly send guards to the lumber woods to guard these prisoners of war to the extent of having a guard for each prisoner, and the result, therefore, sometimes is that these irregularities take place. But the matter will be investigated and whatever disciplinary action is necessary will be taken.

With regard to the Dauphin case, I never heard of it before. That was the case of a prisoner of war working in one of the labour camps, not in one of the internment camps.

As regards prisoners in internment camps my hon. friend will not have much to complain about. They are dealt with under close guard, and I think the public have reason to be pretty well satsified with the way in which the internment camps have been conducted in this country, considering the number of men we have and the fact that these men from day to day have nothing to do but to sit and plan how to escape. I pay tribute to the veterans' guard of Canada for the splendid way in which they have carried on in seeing that these prisoners are properly guarded.

Mr. ROSS (Souris): So do I.

Mr. RALSTON: The record cannot be excelled anywhere of the way in which they have been handled.

Coming back to prisoners like the one in the Dauphin case who are working, there is a different situation existing there and there cannot be the same strict and complete supervision. There are not the same number of guards provided. I have an arrangement with the Minister of Labour (Mr. Mitchell) whereby we are responsible for guards up to a certain point, and after that my hon. friend takes over. We supply a nucleus to help with the discipline in the labour camp, but as regards security generally the responsibility is that of the Department of Labour. Having regard to all they have to do in that respect, they have done an excellent job and have provided a great many prisoners of war to do work. They have done a great deal of work with little trouble to the citizens.

With regard to the treatment of prisoners of war, I do not know what either of my hon. friends is talking about when he speaks of de luxe treatment. They are treated in accordance with the Geneva convention, and regardless of what some barbarous nation does as regards prisoners of war, so far as I am concerned, prisoners of war will be treated according to the terms of that convention, and we will live up to it. From the point of view of the citizens of Canada, their boys are either in Hong Kong or in German prison camps and if we treated prisoners of war here contrary to the terms of that convention, their mothers and fathers here would be the first to say, and say rightly, that the Dominion of Canada, through the Department of National Defence, had brought on their boys in the prison camps of Germany and Japan persecution and hardship by reason of the fact that we treated German or Japanese prisoners of war improperly here. I have seen the representative of the protecting power and have had him go over all the camps and report to me personally to see that they were living up to the terms of the Geneva convention, and I assure this house that nothing more than that is done. I propose to follow that policy straight through so long as the Department of National Defence has the responsibility.

The house can see that we are in a difficult situation. We do not want to treat them better than we are required to do according to the letter of the law. At the same time, however, reports do get back, and if anything goes wrong reports will immediately reach the powers detaining our boys, with the result that hardships are imposed on them and then the families in this country feel that the action we have taken against German prisoners has been visited upon their boys overseas. We have to hew to the line and that is what we are endeavouring to do.

I assure hon. members that if there is any case in which the line is overstepped I do not know of it. I shall look into the case of Thurso. That is a case where apparently some men got liquor and perhaps those in charge engaged in irregularities. Disciplinary action will be taken. The Dauphin case I will look into. I understand from my hon. friend that somebody wanted the attention of

a dental officer and went to an air force camp in order to get it. I do not see anything wrong about that at first blush, though there may be. I will say that they were not in the custody of the Department of National Defence at the time but in a labour camp, which is authorized by the government and the house, and which has been urged by the people of the country in order that they may get the advantage of the prisoner of war labour available for that purpose.

I have nothing more to say except that I shall look into both cases, and if there is any cause for complaint I assure the house it will be rectified.

Mr. ROSS (Souris): After the investigation, will the minister tell the house what the regulations are with respect to taking these prisoners into centres of population?

Mr. RALSTON: I do not know that there are any regulations particularly. Both these cases, I believe, as a matter of fact were men from labour camps and not from internment camps. The Minister of Labour will tell the hon. gentleman if there are special regulations about them. I have no doubt they are taken to centres of population when it is necessary to take them for treatment. The only question is as to the adequacy of the guard provided for that purpose.

Hon. HUMPHREY MITCHELL (Minister of Labour): In view of the fact that my department is probably involved, I should like to say a few words. I had not known anything about the matter. The first I knew about it was what I found in the newspapers this evening; in fact I had not read it until my hon. friend mentioned it.

There is nothing novel about the employment of prisoners of war outside internment camps.

Mr. ROSS (Souris): I am not objecting to that.

Mr. MITCHELL: Many members have approached me in an effort to get prisoners of war to work on farms and in other industries in the country in view of the severe manpower situation. In South Africa there are 60,000 prisoners of war working outside internment camps. They have them in Great Britain and in the United States and it is a question of man-power. As the Minister of National Defence has said, if you have to have as many guards as you have prisoners, you might as well use the guards and not bother about the prisoners. May I say to the hon. member for Hastings-Peterborough (Mr. White) that I do not think the Anglo-Saxons have reached the level where we should endeavour to match brutality with brutality.

[Mr. Ralston.]

Mr. WHITE: I never suggested that we should match the Japanese at all, but I do not think we should adopt a continual appeasement policy.

Mr. MITCHELL: There is no appeasement about it, but I say this to my hon. friend. As long as I am in charge of prisoners of war I am going to maintain that same dignity of treatment afforded human beings which has made the British people what they are. I know it is the easiest thing in the world to raise this kind of question, to set passions aflame, and no one regrets more than I do the treatment of prisoners of war in Japan. But I think this will readily be understood, that after all, in that part of the world, they have just a veneer of civilization and that is all. It would not, however, redound to our credit if we varied in any detail from the international law laid down in the Geneva convention for the treatment of prisoners of war in this country.

I join with the Minister of National Defence in the assurance that we will look into the matter. I am frank to admit that in the employment of prisoners of war some risk is run. We often read in the newspapers that our young fellows manage to escape from Germany and other parts of the continent, and that is one of the inevitable risks which those people who desire such assistance at this time, in the way of man-power, have to take. It has to be taken in every country where prisoners of war are employed outside the regular internment camps. I would go so far as to say that there have been actually more escapes from internment camps in this country than there have been from what we might call the work camps under the jurisdiction of my department.

I shall be glad to look into the matter as far as it affects my department and give my hon. friend the information he desires.

INCOME TAX—POSSIBILITY OF EXTENSION OF TIME FOR FINAL PAYMENT—MR. KNOWLES

Mr. S. H. KNOWLES (Winnipeg North Centre): There is another matter I should like to bring to the attention of the government before Your Honour leaves the Chair. It is a matter about which questions have been asked, but as yet hon. members have had no opportunity to discuss it or to express the views of their constituents. I refer to the problem created for a great many people by the necessity of paying the entire balance due on their 1943 income tax by April 30. As I say, questions have been asked in the house about this matter, and the Minister of National Revenue (Mr. Gibson) in reply has simply stated the terms of the statute as it stands.

As hon. members are aware, it is a matter of considerable urgency for a great many people. We hope the government may give some consideration to this matter, and that such consideration might be given soon, so that if any change in policy is to be made an announcement to that effect might be given at an early date. Following many letters which I have received on this matter, I wrote the Minister of Finance (Mr. Ilsley)—

Mr. HOWE: On a point of order, Mr. Speaker, surely this does not come within the rules on going into supply. The hon. member is talking about a matter which will not eventuate until April 30 of this year, and this is now only the middle of March.

Mr. KNOWLES: If I may speak to the point of order, in my reading of the rule with respect to the right of private members to raise grievances on going into supply I do not see anything about urgency. The rule refers to grievances; I submit that this is a grievance of my constitutents, and also that there is in it an element of urgency. The Minister of Munitions and Supply (Mr. Howe) suggests that April 30 is a long way off. It really is not very far off when one considers the plans that people must make to take care, in many cases, of quite large sums that must be paid by way of balances of their income tax. I submit that it is in order, that it is a matter which should be brought to the attention of the government and a matter on which hon. members should have an opportunity to express their views at this time.

Mr. SPEAKER: I would refer hon. members to citation 345 of Beauchesne's Rules and Forms:

> The ancient doctrine that the redress of grievances should be considered before the grant of supplies is maintained in the House of Commons of Canada by the provision of standing order 49 that the motion for the Speaker to leave the chair can be amended; and the amendments need not be relevant but may relate to every question connected with public administration.

And further:

> Matters of detail which should be discussed in committee cannot be debated on these occasions, nor can debate be permitted relating to grants already agreed to, or to resolutions which will be proposed in the committee, or to items in the estimates.

The other day I ruled that a matter which was being discussed could be taken up when the estimates were before the committee, but I know of no item, though I may be informed to the contrary, on which the matter to which the hon. member is now referring could be discussed.

Mr. MACKENZIE (Vancouver Centre): Item 189, covering the general administration of the income tax division.

Mr. KNOWLES: This is in reference to a statute passed last year, and no item covering it appears anywhere in this year's estimates.

Mr. ABBOTT: If I may interject a word, this collection of income tax comes about by virtue of a statute which has been on the statute books for some twenty years, during which time income tax has been payable on April 30 of each year. One-third of the total had to be paid by April 30 and the remaining two-thirds, bearing an interest rate of five per cent, I think, must be paid by September 1. That has been the law. Last year an exception was made because of the change-over to the pay-as-you-go policy, but with that exception that date of April 30 has been fixed for some twenty years.

Mr. SPEAKER: I am rather inclined to think the hon. member is in order. Item 189 reads:

> Income tax division: general administration, including authority to create positions and make appointments—

The matter being discussed by the hon. member has to do with the date of payment of the income tax, and I am rather inclined to believe that the hon. member is in order in discussing it.

Mr. KNOWLES: If I may continue, I believe I had referred to the fact that I wrote the Minister of Finance about this matter under date of March 9. He replied under date of March 11, and I should like to quote part of that letter:

> As you know, the Minister of National Revenue stated in the house on Friday—

That would be on March 10, and that statement appears at page 1347 of *Hansard*:

> —that no extension is at present contemplated. Your suggestion will, however, be kept in mind.

On the basis of that last short sentence, I felt there was some point in raising the matter in this way and pressing the government to give consideration to it. I was further encouraged by the reply given on the orders of the day to-day when the question was asked of the Minister of National Revenue; I felt that his answer at that time was not quite so final and categorical as the one he made on March 10. The parliamentary assistant to the Minister of Finance has just made reference to the situation that has prevailed in years gone by, and has indicated that there has been no basic change. I should like to point out to him that there is considerable confusion

over this matter, and I should like also to call his attention to information that can be found by looking at the income tax form for various years. I have a number of them here in my hand. First I have the forms on which taxpayers are now working, the T-1 special, 1943, $3,000 or under; and also T-1 general, 1943. On each of these forms it is indicated that payment is to be made in full on April 30, and there is nothing anywhere in the form to indicate that any postponement or deferment is possible. If the house will permit me to move the adjournment of the debate, when I come back to the matter I shall refer, by way of contrast, to the information contained on the forms for 1942 and 1941.

Mr. SPEAKER: Is the hon. gentleman moving the adjournment of the debate?

Mr. KNOWLES: Yes; I move the adjournment of the debate.

Motion agreed to and debate adjourned.

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

Tuesday, March 21, 1944

The house met at three o'clock.

BANKING AND COMMERCE

FIRST AND SECOND REPORTS OF STANDING COMMITTEE

Mr. W. H. MOORE (Ontario) presented the first and second reports of the standing committee on banking and commerce, and moved that the reports be concurred in.

Mr. RALSTON: I would ask my hon friend if he will allow the motion to stand for to-day.

Motion stands.

LABOUR CONDITIONS

TABLING OF ORDER IN COUNCIL APPOINTING CHAIRMAN OF WESTERN LABOUR BOARD

Hon. HUMPHREY MITCHELL (Minister of Labour): I table herewith copy of order in council P.C. 1902 appointing Mr. George B. Henwood, K.C., of Edmonton, as chairman of the western labour board succeeding Mr. Justice George B. O'Connor.

CANADIAN NATIONAL RAILWAYS

REFERENCE OF ANNUAL REPORTS AND CERTAIN ESTIMATES TO RAILWAYS AND SHIPPING COMMITTEE

Hon. J. E. MICHAUD (Minister of Transport): Mr. Speaker, I desire to lay on the table the annual report of the Canadian National Railway System for the year ended December 31, 1943; the annual report of the Canadian National (West Indies) Steamships Limited for the year ended December 31, 1943; the annual report of the Canadian National Securities Trust for the year ended December 31, 1943. I move:

That these reports be referred to the standing committee on railways and shipping owned, operated and controlled by the government, together with the following items of estimates for 1944-45:

387. Maritime Freight Rates Act, Canadian National Railways;

388. Maritime Freight Rates Act, railways other than Canadian National;

408. Canadian National (West Indies) Steamships Limited, capital advances;

409. Prince Edward Island car ferry and terminals deficit, 1944.

And that the resolution passed by the house on the 11th February, 1944, referring certain estimates to the committee of supply, be rescinded in so far as the said resolution relates to votes Nos. 387, 388, 408 and 409.

Copies of the annual reports now tabled will be distributed to hon. members this afternoon.

Motion agreed to.

LABOUR CONDITIONS

POSSIBLE CLOSING OF EDMONTON COAL MINES—AUTHORIZED PRICE INCREASES

On the orders of the day:

Mr. D. C. ABBOTT (Parliamentary Assistant to the Minister of Finance): On Friday last, the hon. member for Bow River (Mr. Johnston) quoted an item appearing in the Ottawa *Citizen* of March 16, as follows:

Edmonton coal mines will dismiss 250 employees March 23 and the pits will close March 31 unless the federal government subsidy of 50 cents a ton is continued, mine officials said here to-day.

The hon. member asked whether the subsidy of 50 cents per ton would be continued on coal so that these mines in Alberta will continue to operate. There is no subsidy paid to any mine in Canada on a flat basis of 50 cents per ton. Therefore, I assume that the hon. member was speaking about the price increase which was authorized under wartime prices and trade board administrator's order No. A-1008 of December 1, 1943. The price increases authorized under this order were made to compensate the mine operators for the increased wages they were instructed to pay their men by the regional war labour board under the chairmanship of Mr. Justice O'Connor of Edmonton.

The authorized increase on Edmonton coal was 65 cents per ton on lump, egg and domestic mine run. It was 50 cents on regular mine

run coal, 25 cents per ton on stoker, nut and pea slack, and 10 cents on slack. The 65 cent increase has to be reduced to 50 cents as of April 1; the 50 cent increase of mine run has to be reduced to 40 cents as of April 1. No reductions have been ordered on the other sizes.

FARM PRODUCTS

FLOOR PRICES ON FEED GRAIN AND WHEAT

On the orders of the day:

Mr. E. E. PERLEY (Qu'Appelle): I should like to direct a question to the Minister of Agriculture. Will he be able to make an announcement with respect to floor prices on staple farm products before the Easter recess? As he is well aware, farmers are now laying plans and preparing for 1944 seeding, and after the Easter recess will be too late to allow for any changes that may be made. If there are to be changes, the farmers should know before seeding time.

Hon. J. G. GARDINER (Minister of Agriculture): As I understand it, floor prices on feed grain are now established until July 31, 1944, and on wheat until July 31, 1945.

WAR APPROPRIATION BILL

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

The house resumed from Monday, March 20, consideration in committee of a resolution to grant to His Majesty certain sums of money for the carrying out of measures consequent upon the existence of a state of war—Mr. Ilsley—Mr. Bradette in the chair.

DEPARTMENT OF MUNITIONS AND SUPPLY

Hon. C. D. HOWE (Minister of Munitions and Supply): Mr. Chairman, when the committee rose we were dealing with air services of the Department of Transport, but I announced that the consideration of that item would be deferred until the estimates of the Department of Munitions and Supply had been dealt with. Therefore I would ask your leave to proceed now with my statement on the work of the Department of Munitions and Supply.

The estimates of the Department of Munitions and Supply for the current fiscal year total 183 million dollars, as compared with estimates for the last fiscal year of 166 million 300 thousand dollars. I would point out to hon. members, as I did last year, that the amount of the estimate for the Department of Munitions and Supply has no relation to the total sum of money to be expended by the department. The Department of Munitions and Supply is the procurement agency for the armed services of Canada and her allies. The funds necessary to finance all purchases are supplied by those from whom requisitions are received.

The estimates of the Department of Munitions and Supply have been broken down under eight items, which breakdown I shall now place on *Hansard*.

Department of Munitions and Supply
Draft Estimates 1943-44, 1944-45

	Estimated Requirements 1943-44	Estimated Expenditures 1943-44	Estimated Requirements 1944-45
1. Additions and Extensions to Plants.	$195,000,000 00	$149,033,690 74	$ 60,000,000 00
2. Cargo Vessels—Operated by Park Steamships Limited.....	45,000,000 00	111,450,000 00	75,000,000 00
3. Housing Development.....	30,000,000 00	15,563,538 15	11,000,000 00
4. Land and Other Miscellaneous Physical Property	7,000,000 00	6,054,846 92	3,000,000 00
5. Production Subsidies and Other Miscellaneous War Expenses....	15,000,000 00	30,995,435 35	25,000,000 00
6. Loans to Commodity Companies....	15,000,000 00	7,909,427 87	.....
7. Departmental Administration.....	9,300,000 00	10,000,000 00	9,000,000 00
Total Departmental Expenditures..	$316,300,000 00	$331,006,939 03	$183,000,000 00
8. Revolving Funds for Working Capital (Recoverable Advances)....	—150,000,000 00	+662,500,000 00	.....
Total Funds Administered.....	$166,300,000 00	$993,506,939 03	$183,000,000 00

In making my report to the house on the production programme in this, the fifth year of the war, I would like to cite the following significant figures: The total dollar value of the contracts awarded by the Department of Munitions and Supply and its predecessors, the defence purchasing commission and the war supplies board, is now approximately 9 billion 450 million dollars. Capital expenditures by the government for war production purposes are in excess of 850 million dollars. I have had prepared a statement showing such capital expenditures up to December 31, 1943. I would ask that this be printed as a supplement to the votes and proceedings for the information of the members during the discussion of the munitions programme. It is important to note that the assets created by the government's capital expenditure, whether they be land, buildings or equipment, have remained in the ownership of the crown. The estimated total value of war production, including the value of deliveries on orders placed abroad, war construction and capital expenditures, in the fiscal year 1943-44, is 3 billion 435 million dollars, as compared with 2 billion 900 million dollars in the fiscal year 1942-43. We estimate that the number of persons engaged in direct and indirect war employment is in excess of a million, of whom about 800,000 are actually engaged in manufacturing war equipment. The fourth quarter of 1943 saw the highest level of employment in the history of Canada.

It is interesting to note that the value of war production proper, excluding capital expenditures, construction projects, and orders placed abroad, showed an increase of more than 150 per cent in 1942 over 1941, and an increase of about 35 per cent in 1943 over 1942. The value of war production proper for 1944 will show an increase of approximately 3 per cent over 1943. However, we are still in the early months of 1944, and our experience in the past indicates that the programme is usually stepped up beyond what we plan in the early part of the year. If we include capital expenditures, construction projects, and orders placed abroad, the estimate of expenditures for 1944 shows a decrease of approximately 7 per cent as compared with 1943. The rate of production in terms of dollar values reaches its peak in the first quarter of 1944.

In my last report, which was submitted to the house in June last, I pointed out that certain of our production targets had been attained. In the intervening months we have reached more of these objectives. I also stated in my last report that this did not necessarily mean any slackening of the overall effort. It did, of course, involve considerable programme revision, with some items reduced and others expanded. The house will understand that we must always allow for cancellations and changes in type when we attempt a long-range forecast of a production programme in time of war. It is possible to sketch the broad outlines of the programme, but there are bound to be variations, due to the changing character of the war, which cannot be anticipated. The changing strategy of war makes obsolete certain types of equipment, and creates the need for entirely new types of equipment. Generally speaking, the forecast of programme changes which I made last June has been realized in fact. I make this comment because I find a tendency on the part of some to express great alarm that in recent months there should have been changes in programme which have necessitated the transfer of employees to other places of employment. I wish to record that I told the house last June that certain changes in programme would occur. It can hardly be suggested now that they come as a complete surprise. Unfortunately, these changes are inevitable in a war production programme. For the most part, our manufacturing capacity is sufficiently flexible to meet the constant need for programme revision. In many cases, when orders have been cancelled we have been able to convert the manufacturing capacity to other uses. But there will always be certain capacity which is single-purpose, and is not suitable for other types of manufacture. Reductions or cancellations of programme in such single-purpose plants mean reductions in personnel. We cannot justify the employment of men and the use of materials in the production of equipment for which there is no longer any need. The Department of Munitions and Supply is working in close cooperation with national selective service in finding other useful employment for any personnel affected by lay-offs.

Before giving the house the details of each of the major programmes, I shall give the highlights of each programme, showing the accomplishment to date and the general trend of the programme in the next twelve months.

In 1943 we produced 4,133 aircraft, as against 3,811 in 1942, for a total production as at March 1 of 11,390 aircraft. The value of planes produced in 1943 was 50 per cent higher than in 1942, due to the predominance of larger types of more intricate design. The aircraft production programme will continue to expand with a transfer of effort from trainer aircraft to combat aircraft.

Armoured fighting vehicles produced last year number 15,500, as against 12,500 in 1942, for a total production to March 1 of 34,000

units. The production of self-propelled mounts, and of other armoured fighting vehicles, will continue at a high rate in 1944.

The production of mechanical transport dropped from 192,000 units in 1942 to 175,000 units in 1943, but we manufactured heavier and more costly equipment in 1943 than in 1942. The total production to March 1 is 593,000 units. This continues to be a major programme, and although we will produce fewer units in 1944 than in 1943, they will be of a heavier type.

The production of artillery gun barrels, carriages, and mountings, both army and navy, considered as separate units, totalled 45,000 in 1943, as compared with 31,000 in 1942, for a total production to date of 84,000 units. There will be a further cut in the production of army guns and a slight increase in the production of naval guns.

The output of machine guns, rifles and other small arms, jumped from 325,000 in 1942 to 580,000 in 1943, for a total production of 1,000,000 units. Production in 1944 will be slightly greater than in 1943, but this is weighted by the production of several new stores which can be produced at a higher rate.

In 1943 we produced 30 million rounds of gun ammunition, as against 28 million rounds in 1942. The total production since war began is 62 million rounds. Production in 1944 will carry on at approximately the same rate as in 1943.

The production of small arms ammunition increased from 1·2 billion rounds in 1942 to 1·5 billion rounds in 1943, for a total production to date of 3·3 billion rounds. This programme will be reduced somewhat during 1944.

Our total net production of chemicals and explosives in 1943 was 1 billion pounds, as against 860 million pounds in 1942, for a total production to March 1 of 2·3 billion pounds. This programme also will be reduced, and we have already had to close down one major explosives plant.

We produced 150 cargo vessels, or 1 million 478 thousand deadweight tons, in 1943, as against 81 cargo vessels, or 838 thousand deadweight tons, in 1942. The total production to March 1, is 249 vessels. There will be a slight reduction in the programme during 1944.

In 1943 we produced 100 naval vessels, as against 117 in 1942. However, the programme in 1943 was of a much more difficult and costly nature, so that a comparison by number is hardly accurate. The total production of escort vessels since war began is 336. There will be some revisions in this programme, with reductions of certain types and the production of new types. Actual deliveries of escort vessels and other types of new naval craft will be higher in 1944 than in 1943.

Of a total of 4,300 orders placed for small craft, we have delivered 3,600. Deliveries on this programme will continue in 1944 at approximately the same level as in 1943.

The production of instruments and communication equipment in dollar cost was 180 million in 1943, as compared with 84 million dollars in 1942. The total value of production since the beginning of the war is 320 million dollars. This continues to be an expanding programme.

There was a slight decline in defence and other construction projects undertaken by the Department of Munitions and Supply in 1943, when the total amount spent was 194 million dollars, as against 219 million dollars in 1942. We have spent on construction since war began, including housing, 675 million dollars. There will be a sharp reduction in defence building during 1944.

Purchases of personal equipment, foodstuffs, fuel, hardware and miscellaneous stores, totalled at December 31, 1943, 2 billion 988 million dollars.

Mr. HANSON (York-Sunbury): That is, since the war.

Mr. HOWE: Yes, the total from the beginning of the war.

I will now review each of the major programmes.

Aircraft: Of the 11,390 planes produced since the beginning of the war, over 2,000 have been first-line service aircraft. The balance of the programme is made up of trainer types, and one service type which is no longer used in front-line combat. Plane production in March, April, and May, 1943, totalled 971 craft, or an average of 324 planes a month. Production for the three months ending February 29 last was 1,309 planes, or an average of 436 monthly. This shows an increase in units of production of one-third, but the actual increase in poundage production is 50 per cent. Since the beginning of the war we have produced some twenty different types of aircraft. Despite the fact that we have had many programme changes, the general curve of production has been upward each year. There have been ups and downs in the number of planes produced, but the trend has been upward both in number and in weight.

Mr. HANSON (York-Sunbury): Will the minister permit a question?

Mr. HOWE: Yes.

Mr. HANSON (York-Sunbury): Will he make it clear how much, in percentage or otherwise, of this production is Canadian-made and how much is imported? I think that would be useful information.

Mr. HOWE: Well, Mr. Chairman, the airframe is almost completely Canadian made, but we do not make engines.

Mr. HANSON (York-Sunbury): I just wanted to find out how much Canadian content there was.

Mr. HOWE: Practically all the instruments are now made in Canada, and I think very little is imported except the engines.

Mr. ADAMSON: Are the propellers made in Canada?

Mr. HOWE: Yes.

Mr. STIRLING: Would the minister explain how the statement he is making connects with this schedule? For instance, he is referring to aircraft construction. I do not know what item of this that could be connected with.

Mr. HOWE: I might point out that the function of the department is to do purchasing for the various branches of the government and the foreign governments, and they supply the money. We do not vote money for purchases of this kind. No. 7 would be the item it ties in with. But I assume that, in discussing the department, hon. members will want to know what the department is doing.

To illustrate this trend, I should like to place on *Hansard* a table which shows the number and the weight, ex-engines, of aircraft produced in Canada each year since the beginning of the war:—

Year	Number of aircraft	Poundage
1940.....	846	1,628,118
1941.....	1,697	6,358,442
1942.....	3,811	17,578,309
1943.....	4,133	20,088,864

We expect to produce 4,312 aircraft in 1944, for a total poundage of 21,430,000. In the number of planes produced per month, we reached our peak last January, with a total output of 455 aircraft. The shift in programme from trainer to service types tends to reduce the output in terms of numbers, since one service type may involve fifty times the man-hours employed on the production of a primary trainer.

Including the overhaul plants, the primary contractors and the sub-contractors, there are now 122,000 persons employed in aircraft manufacture, of whom 39,000 are women. The overhaul of aircraft in operation, in Canada, has become a major industry. We are now overhauling some 200 planes and approximately 1,000 engines each month.

I shall now give the house some details of the individual programmes, dealing first with the trainer programme.

[Mr. R. B. Hanson.]

We are building three trainer craft, the Cornell, a primary trainer, the Harvard, a secondary trainer, and the Anson, a twin-engined trainer. We are also producing the Norseman, which was used formerly as a service craft, and is now used for military transport. Because the trainer programme is tied in closely with the British commonwealth air training plan, there has been a marked falling-off in requirements for trainer aircraft in recent months, and consequently we plan to produce in 1944 considerably fewer trainer planes than in 1943. Production of Cornells in 1943 was at the rate of 125 per month, for a total production to March 1 of 1,579. The rate of production in 1944 will be 50 per month. During 1943 Harvard production was scheduled at 100 per month. This rate of production will continue until the end of 1944. We have delivered to date 1,849 Harvards. The house will recall that the Anson, the most important item in the trainer programme, was one of our most difficult production jobs in the early years of the war. Federal Aircraft Limited, a crown company, was set up to administer this programme. During 1943 deliveries were made at the rate of 70 per month, total deliveries to March 1 being 2,413 aircraft. Of that number 560 have been of a new type, which is equipped with moulded veneer fuselage and a more powerful engine. In keeping with the current needs of the air training plan, the Anson production schedule has been curtailed very sharply, and production during 1944 will be at the rate of 35 per month.

There is a tendency on the part of some of our critics to make light of the trainer programme. I would remind the house that we could not have maintained the output of aircrew which is needed for combat service overseas if we had not had a plentiful supply of trainer aircraft. One of the main objectives of the aircraft production programme from its very inception was to supply all the trainer aircraft needed for the operation of the British commonwealth air training plan. I am glad to say that we have succeeded in that objective.

Our production of service aircraft is now confined to four world-famous types, each of which is unsurpassed in its class. These are the Lancaster, the Mosquito, the PBY Catalina and the Curtis dive bomber. I say at once that each of these programmes has taxed the skill and ingenuity of our aircraft industry. In each case very elaborate tooling was required, and one of the most difficult bottlenecks has been the need to absorb and train large numbers of personnel concurrently

with production. I make no excuse for the time required to reach production forecasts. Anyone who had had any association with the aircraft industry in this country, in the United States or in the United Kingdom knows that it is extremely difficult, if not impossible, to forecast with any degree of accuracy the time required to bring into full production a plane of complicated design which has not been produced in large numbers elsewhere. More problems have arisen in connection with the production of the Mosquito than of any other plane manufactured in Canada. We have maintained close touch with the manufacturer of this aircraft in the United Kingdom, and I may tell the house that the English producer has experienced the same difficulties that have been met here. In this connection, I think it may be of value to place on Hansard a table showing the comparative statistics on the production of the Mosquito in the De Havilland Plant in the United Kingdom and in the De Havilland Plant in Canada. In giving these figures I ask you to remember that the design originated with the English company.

Period after commencement of manufacture	Cumulative totals of aircraft accepted	
	Canada	England
19 months.....	9	5
20 "	18	8
21 "	23	13
22 "	34	17
23 "	44	20
24 "	57	30
25 "	62	47
26 "	68	62
27 "	82	76
28 "	92	101

In monthly production, we reached our highest figure in February, with an output of 33 planes. Total production to date is 183 planes. We hope to reach a production of 52 per month by June next.

The plant producing Mosquitos is now under direct government control, and I am satisfied that the management is doing everything possible to accelerate the rate of production.

Turning now to the Lancaster programme, this, as hon. members know, is the largest four-engined bomber of this war to date. Considering the fact that our aircraft industry is but five years old, I think we may take some satisfaction from the knowledge that we are now producing one of the finest types of heavy bomber aircraft in existence. Here again there have been exceptional technical difficulties arising from the complexity of the design and elaborate tooling and engineering. Up to March 20, we had delivered 39 Lancasters. Of the two planes delivered to Trans-Canada Air Lines, one has established a transatlantic flying record. Regarding the quality of Lancasters produced in Canada, I should like to quote from a letter which I have received from Sir Stafford Cripps, the British minister of aircraft production. The excerpt reads as follows:

> I have just heard how well the first production Canadian Lancaster fared at the arrival conference held last week. My experts tell me that this is the best first production aircraft out of all the north American ones that they have ever seen. Since we have dealt with some 90 of them, this is indeed a high compliment, and I should like to offer my warmest congratulations to everybody concerned on an outstanding piece of work.

Our largest monthly production was in February, with an output of 9 aircraft. We hope to reach a monthly output of 17 by May and 30 by December. Victory Aircraft Limited, a crown company, is in charge of the Lancaster programme.

The PBY Catalina flying boat is one of the largest and most intricate aircraft produced on this continent. To date, we have delivered 273 Catalinas, with peak production in December, 1943, when we turned out 37 planes. This programme will continue until the end of 1944, with monthly production rising to the rate of 50.

The Curtis dive bomber did not come into production as early as we had anticipated, because of a great many modifications of design in the early stages of the programme. The design of this plane has now been frozen. Current monthly production is at the rate of 20 per month, and we hope to reach a production rate of 70 per month by midsummer and 130 per month by December, 1944. There are two plants engaged on this programme, one of which came into production in September, 1943; the other in October of that year.

In closing my remarks on aircraft production, may I repeat what I have said in this house on previous occasions. When the war began, we had an aircraft industry with some 1,000 employees. The industry had produced only very simple types of aircraft and these in small numbers. We now have an industry which employs 122,000 people and which is producing combat aircraft of the latest and finest types. I do not pretend that I am satisfied with current rates of production, but I do say that, considering our small beginnings and the magnitude and complexity of the programme we have undertaken, the performance to date is a creditable one.

Military vehicles.—Canada has established a very fine reputation for the quality of its mechanical transport. As the house is aware, a large part of the transport used by the 8th Army in the African campaign was manu-

factured in Canada. When the enemy was driven out of Africa, a number of military documents were seized. Among them was found a German reconnaissance order, which when translated reads as follows:

For the reconnaissance, as indeed for every desert reconnaissance, only captured Canadian trucks are to be employed, since German trucks stick in the sand too often.

Military transport from Canadian plants is in demand in every combat zone. Because of this, volume of production will continue at the highest possible level. There will, however, be some reduction in the number of units produced, since the emphasis is shifting from the 2-wheel drive chassis to the 4-wheel drive chassis, which requires more man-hours per unit. The current rate of wheeled vehicle production is 13,000 monthly. In addition to the production of complete units, the automotive industry and component manufacturers are devoting a large part of their capacity to the production of spare parts. The maintenance of transport in the field is possible only with adequate supplies of parts. During 1943 our spare parts production averaged in cost 7½ million dollars per month. During 1944 we expect to reach a figure of 11½ million dollars per month. The production of armoured cars and reconnaissance cars was discontinued in 1943. The production of scout cars also stopped for a brief time, but will begin again this quarter, following the introduction of new designs. We also expect to produce some hundreds of armoured trucks during 1944. The programme in 1944 will include the manufacture of workshop lorries at the rate of 200 per month. In 1943 we completed all our orders for tanks. The capacity which was created for the manufacture of tanks is being used to produce self-propelled gun mounts, tank turrets and railway equipment. Our production of self-propelled gun-mounts, which operate on tank chassis, amounted to 1,928 in 1943. The current rate of production of this equipment is 150 per month. We have large orders under way for locomotives and other railway equipment for the combat areas. Locomotives for shipment overseas are now being produced at the rate of 24 per month. Our railway equipment manufacturers are working to full capacity on the production of freight cars and other types of rolling stock for home and overseas use. The universal carrier will continue to be produced in 1944 at a rate of 900 per month. To date, we have delivered 24,000 universal carriers.

Mr. HANSON (York-Sunbury): Before the minister leaves that point, is there any reasonable expectation of some automotive power being released for civilian purposes in Canada?

[Mr. Howe.]

He knows, as I do, that there is a tremendous demand now for that sort of thing for essential services.

Mr. HOWE: We are producing a limited number of trucks, the fewest we think will meet essential demands. We are being pressed for the greatest possible output of military vehicles, there being a shortage on all fronts.

Mr. HANSON (York-Sunbury): The minister recognizes there is a need.

Mr. HOWE: Yes. We are maintaining that. As far as passenger cars are concerned I am afraid we cannot do anything.

Mr. HANSON (York-Sunbury): I am not suggesting that.

Mr. HOWE: We are, however, building trucks for civilian purposes.

Mr. ADAMSON: Has there been any easing on purely military transport?

Mr. HOWE: No.

Communications.—It is difficult to speak of the communications and signals programme without burdening the house with excessive details. However, I shall give some round figures on the value of our production and a few highlights of the programme. The value of our production in communications in 1940 was one million dollars, in 1942 60 million dollars; and in 1943 136 million dollars. The radio and communications industry is now operating at a level some eighteen times greater than in 1939. We have orders on our books to the value of 400 million dollars, and we do not expect to reach peak production until the second quarter of 1944. To illustrate the diversity of the programme, I might point out that there are approximately 4,500 different items in current production by some fifty prime contractors and several hundred subcontractors. The items include: Amplifiers, antennæ, cable, radio compasses, remote control units, radio direction finders, signalling lamps, power generators, quartz crystals, 25 types of radio receivers, 23 types of radio transmitters, 19 types of transmitting and receiving sets, 6 types of telephones, radio tubes, and switchboards, to mention but a few.

Some twenty major types of radar equipment have been developed for a variety of applications, ranging from one type for anti-aircraft defence having 60,000 components, and 270 radio tubes, mounted in several large trucks, to small compact airborne units used for submarine detection at sea and target location on land.

Obviously, this is a type of equipment in which there must be constant and rapid

improvement if we are to maintain our superiority over the enemy. This means frequent change in design, which in turn requires great flexibility in production methods. A major factor in the production of communications equipment has been the contribution of Research Enterprises Limited, a crown company which was set up in the early months of the war. In 1943 the total value of the communications equipment produced by the company was 60 million dollars. The company also has produced optical equipment and instruments to the value of 10 million dollars. From its optical glass, Research manufactures binoculars, range finders, and a wide variety of other instruments.

In addition to these programmes, the communication industry is also producing fire control boxes and other sonic devices of many types, including torpedo components and a wide variety of gun-laying instruments. The entire communication programme is coordinated by the signals production branch of the Department of Munitions and Supply. This has resulted in the elimination of waste through the simplification of manufacturing practices and the more efficient use of manufacturing capacity.

Defence Communications Limited.—In addition to the production of communication equipment, the department is also building an extensive communication system for the armed services, through the agency of Defence Communications Limited, a crown company.

This company was set up early in 1943, to coordinate existing communication services, and to establish new services in eastern Canada. The communication system utilizes existing wire, telegraph and wireless facilities of the three armed services and of commercial operators. These services have been supplemented by the building of new facilities to the value of some three million dollars.

Guns. There have been drastic reductions in the production of army guns during 1943, as forecast in my statement of June last. The downward trend in gun production has been offset to a degree by the programming of certain new types of guns and new mountings. There will be further downward revisions during 1944. I am asked frequently why plant capacity which was created to manufacture army guns should not now be in full use. The reason is that we now have supplied the current and prospective needs of the armed services. Where it is possible, we are converting this plant capacity to other uses, but in many cases we think it necessary to maintain plants and equipment in working condition for stand-by purposes.

The current army gun production programme includes five types of barrels and several types of mountings, together with detector and fuse setting equipment required for the 3·7 inch anti-aircraft gun. Some of the manufacturing capacity which otherwise would have been idle is working on orders for China. We are now shipping to China two types of anti-aircraft guns, as well as 6-pounder guns.

While the need for army guns is declining, we are continuing in full production of naval guns and mountings. This programme includes three types of naval gun barrels and eight types of mountings. We will come into production of another type of gun and mounting in the immediate future. Among the various companies engaged in naval gun production is National Railways Munitions Limited, a crown company, which has been a most efficient contractor.

Small Arms. In the small arms field, we discontinued, in 1943, the production of four types, the Boys anti-tank rifle, two types of machine guns and the 3-inch mortar. We have just come into production with the 9mm. pistol, the 20mm. universal mounting, and the Polsten 20mm. automatic gun, a most modern and effective weapon. We have also begun producing a modified version of the Bren gun. Total production of Bren guns to date is 155,000. Rifle production from the plant of Small Arms Limited, a crown company, was at a rate of 35,000 per month in 1943, for a total production of 530,000 to the end of 1943.

Mr. ADAMSON: All weapons?

Mr. HOWE: Five hundred and thirty thousand, all rifles.

Mr. ADAMSON: That does not include Stens?

Mr. HOWE: No. The current rate of production is 25,000 per month. The reduction is due to lower requirements of this store. Sten gun production by Small Arms Limited, which reached a peak of 8,500 per month in 1943, will continue in production at 5,000 a month during 1944. Here again the reduced output is due to smaller requirements. There will be some increase in the production of 2-inch mortars, which will increase from 400 a month in 1943 to 600 a month during 1944. The production of bomb throwers will continue at a rate of 3,000 per month. In general, there will not be any great shrinkage in the small arms programme during the first half of 1944, but there may be considerable curtailment in the programme during the latter part of the year, when many contracts run out. Nevertheless, the small arms orders now on hand will mean a production in 1944 slightly in excess of that of 1943.

Ammunition. The output of gun ammunition during 1943 was 30 million rounds. In addition to this, there was produced a total of 40 million cartridge cases and many millions of fuses and other components. A substantial proportion of these components are filled in Canadian shell-filling plants before being shipped abroad. In 1944 we shall fill some 33 types, including bombs and grenades. Among them is the projectile for the new Piat, an anti-tank weapon; an anti-aircraft shell; two new grenades, and anti-submarine ammunition. There are in all more than 130 plants now engaged in manufacturing gun ammunition and components. In all, the programme involves the production of 154 varieties of shell, or other ammunition components. This programme will be curtailed somewhat, with operation during the balance of 1944 at approximately 75 per cent of peak capacity. Curtailment in the ammunition programme will also result in a decline in the output of fuses, primers, gaines, and cartridge cases.

Small Arms Ammunition. During the last half of 1943, production of small arms ammunition totalled 775 million rounds, ranging in calibre from ·22 inch to 1 inch. This output included more than thirty different types. The major part of the production is carried on in two government arsenals. In the summer of 1943 the programmes were revised, with a shift to heavy calibre types. The current production rate is 118 million rounds per month. The new programme is scheduled to reach a rate of 122 million rounds per month.

Chemicals and Explosives. We reached peak production on chemicals and explosives during 1943. Curtailments in the ammunition programme will require about a 20 per cent reduction in the output of explosives. The only explosive for which the demand has increased is RDX. In line with declining requirements, rifle cordite production has been discontinued at two plants. TNT production and other explosives produced in the plant at Nobel, Ontario, have also been discontinued. The demand for chemicals such as ammonium nitrate, hexachlorethane, and some other chemicals, will continue at about the same level in 1944 as in 1943. The chemicals and explosives programme is tied in very closely with the shell-filling programme . The whole operation, which is administered by Allied War Supplies Corporation, a crown company, involves approximately fifty chemical, explosive, and shell-filling projects.

I would like to say a word here about the contribution of Canadian science in the development of chemicals and explosives. Canadian chemists have discovered the most effective method of manufacturing RDX, the new super-explosive. They have devised improved and important changes in the manufacture of TNT. Canadian scientists have developed a process for large-scale manufacture of fuse powders. Hitherto, this had been considered more of a craft than a manufacturing process.

Shipbuilding.—Our shipbuilding programme from its inception was divided into two parts, the naval vessel programme, under the direction of the naval shipbuilding branch of the department, and the cargo vessel programme, which has been administered by Wartime Merchant Shipping Limited, a crown company. We have also had two crown companies actually engaged in the production of naval ships, the Toronto Shipbuilding Company, which operates a yard and fitting out berth, and Quebec Shipyards Limited, operating two shipyards and a fitting out berth. In December last it was decided to consolidate the naval and cargo vessel programmes. The whole programme is now under the general direction of the director general of shipbuilding of the Department of Munitions and Supply. Wartime Merchant Shipping Limited, which now becomes Wartime Shipbuilding Limited, will assume responsibility for the supervision of the larger naval vessel programme as well as the cargo vessel programme. The small boat programme, including wooden minesweepers, tugs and other miscellaneous craft, will continue to be under the immediate direction of the shipbuilding branch. This consolidation will eliminate certain duplication in servicing, and will make for more efficient operation. Late in 1943, a change in management was made in the Toronto Shipbuilding Company, with very satisfactory results. As a part of the recent change in the administration of the programme, the Toronto Shipbuilding Company has surrendered its charter and will now operate as a crown plant under the supervision of Wartime Shipbuilding Limited.

I should like now to give some details of the two programmes, dealing first with naval vessels.

Naval Shipbuilding.—To the end of February we had delivered 336 escort and patrol vessels, including 28 frigates, 104 single screw corvettes, 92 steel minesweepers, 34 wooden minesweepers, and 78 Fairmile patrol boats. In addition to these deliveries, we launched 75 vessels of these types which are now being fitted out.

Under the naval vessel programme, we have also delivered three types of landing craft, the 52-foot ramped cargo lighter, the 72-foot Minca barge, and the 51-foot landing vessel. Total deliveries of this type of vessel at the

end of February amounted to 925. In 1943 our naval yards produced 45 tugs and two auxiliary tankers.

In addition to these major items in the programme, we have had orders for some 4,300 small craft. Of these, 3,600 have been delivered. The naval yards have also constructed a wide variety of special purpose vessels, including base and supply ships, concrete and wooden gate vessels, a floating dry dock, railway barges, steel and wooden derrick scows, ammunition and stores lighters, transport and salvage barges, tenders, target towing vessels, and 24 motor torpedo boats.

Late in 1943 we were advised of reduced requirements for certain types of escort vessels. The scheduled deliveries for 1944 will be 44 frigates, 18 single screw corvettes, 29 steel minesweepers, 45 wooden minesweepers, and 11 Fairmiles. This programme, although it is considerably less in volume than we had originally planned, will still represent in dollar cost our highest actual delivery of escort vessels. Deliveries of landing craft, small craft, and miscellaneous vessels, will be at a slightly higher level in 1944 than in 1943.

Some of the shipbuilding capacity which has been released through reductions in orders for escort vessels will be taken up with orders for a new type of landing vessel. We have also placed contracts for six 3,600-ton oil tankers in two of our naval yards. At the present time, ten of our shipyards and three outfitting yards are engaged on the naval programme. Five small yards are building other steel vessels such as tugs, lighters and auxiliary oil tankers and 62 smaller yards are engaged on the small boat programme.

In addition to the plants actually engaged in ship construction, there are the many plants turning out ship fittings and components.

Employment in the yards and in allied industries working on the naval shipbuilding programme is now running at 50,000 persons.

Cargo vessels: Our deliveries of cargo vessels at the end of February of this year amounted to two hundred and thirty-four 10,000-ton vessels and fifteen 4,700-tonners, making in all a delivery of 2,600,000 tons of shipping. We have planned for the delivery in 1944 of one hundred and two 10,000-ton vessels, including six which will be of a special type, and eighteen 4,700-ton vessels. At the present time, seven of our shipyards are engaged on the 10,000-ton programme and three of the smaller yards are producing 4,700-ton ships.

A word about the types of vessels we build:

First there is the North Sands, the original design for which came from England. We have made several modifications in this vessel, increasing its deadweight tonnage from 9,300 to 10,350, and generally adapting it to Canadian construction methods.

Then there is the Victory Ship, which differs from the coal-burning North Sands type in that it is an oil burner, with water tube boilers instead of Scotch marine boilers. It has more elaborate fittings and better living accommodation for the crew.

The third class, the Canadian type, uses the same basic hull as the North Sands and Victory types but can burn either coal or oil. This type was designed in Canada to provide an efficient general cargo ship for Canadian operations.

We are also building the Victory Tanker, which is a Victory freighter converted into an oil-carrying vessel.

Of the 10,000-ton ships scheduled for delivery in 1944, the majority are of the Victory type, but all of the 10,000-ton cargo vessel orders placed in recent months are for ships of the Canadian type.

The 4,700-ton vessels are all of the William Gray class. I might point out that these are by no means small ships. They are 328 feet long, carry a substantial payload, and are ideal for coastal trading. We have orders on hand for this ship which will carry over well into 1945. I would point out to the house that it is not the policy to freeze ship designs. Many modifications in design have been made, and a special technical committee is now studying this question with a view to improving the operating economy of cargo vessels.

In addition to the construction of cargo vessels, certain of our west coast yards are engaged on alterations to aircraft carriers for the British Admiralty.

Of our total production of cargo vessels to March 1, fifty-four 10,000-tonners, including 10 tankers and thirteen 4,700-tonners, are in Canadian service. These vessels have been delivered to Park Steamship Company, Limited, the crown company which arranges for and supervises the operation of cargo vessels under Canadian registry. The balance of the output has gone to the maritime commission of the United States, the British Ministry of War Transport, and one 4700-ton vessel recently was turned over to the Government of Australia under the mutual aid agreement. It is anticipated that thirty 10,000-ton vessels, including 3 tankers, will be added to the Canadian merchant fleet by the end of August.

As the house is aware, vessels for Canadian service are requisitioned by the Canadian shipping board, which has first call on our output of cargo vessels. The route over which

the ships will operate is also determined by the Canadian shipping board. The selection of the operating company is made by Park Steamship Company, which signs the operating agreement on behalf of the government, and maintains close supervision over operating costs. The operating agreements are basically the same as used by the British Ministry of War Transport with the various British shipping companies. The operating fees are modest, and all profits after the payment of fees accrue to the Park Steamship Company. I may say that operating results to date have been most satisfactory.

Ship repairs and salvage: As I have reported to the house in previous years, a large part of our shipbuilding capacity has been devoted exclusively to ship repairs. We have had to expend 10 million dollars in the expansion of ship repair facilities. Since the Royal Canadian Navy assumed complete responsibility for the north Atlantic convoy, the burden on our ship repair facilities has increased tremendously. In addition to the repairing and outfitting of naval vessels, the major part of the servicing of the merchant fleet has been done on this side of the Atlantic. Bare figures hardly give a real picture of the magnitude of this undertaking. However, since January 1940 to December 1943 there have been repaired in Canada 25,000 vessels, naval and merchant. Five thousand of these were dry-docked for major overhaul.

Salvage operations have been carried on in conjunction with the control of ship repairs, resulting in the recovery of many valuable cargoes.

The destroyer programme is also under the direction of the controller of ship repairs and salvage. The boilers have been installed in our first destroyer, and the turbine units will be installed this summer. A second destroyer will be launched early this spring; the keel of a third destroyer has been laid and a fourth will be laid shortly. This programme has challenged the best that Canada can offer in the way of technical skill. I am glad to say that our Canadian engineering firms and workmen are measuring up to the test.

Construction.—Since the beginning of the war, the Department of Munitions and Supply has awarded construction contracts totalling some 455 million dollars. Practically all of this outlay has been for the construction of facilities for the armed services, such as air training schools, operational airports, naval establishments and army barracks. Up to 1943, the cost of construction projects averaged 100 million dollars per year. There will be a sharp reduction during 1944, when we expect to spend 40 million dollars on construction projects. This programme has been in part under the direction of the director general of construction of the Department of Munitions and Supply and in part under the civil aviation division of the Department of Transport, which reports to the Minister of Munitions and Supply.

Housing.—Early in the war, it became apparent that emergency housing would have to be provided in areas where there was a heavy concentration of new war industry, or where new munitions plants were being established in locations remote from centres of population. This war emergency housing programme has been in charge of Wartime Housing Limited, a crown company. To date, the company has constructed 17,700 houses, 13 hostels, 69 staff houses, 15 bunk houses, 19 dining halls, 30 schools and 22 community buildings. Occupancy is currently about 98 per cent. Each housing unit is in charge of an administrator, who is responsible for the collection of rents and for other matters incidental to the operation of the unit. In 1943, the gross revenue of Wartime Housing Limited from rentals was slightly in excess of 6 million dollars. As those of you who have visited these housing units know, we have tried to make each of them a self-contained community unit, with all the services that a modern community requires. I think we have been particularly fortunate in our tenant relations. Under the guidance of Wartime Housing Limited, more than 80 social and educational programmes are in progress in these communities. These include child care and baby centres, supervised recreation for children and adolescents, nutrition courses, libraries, handicrafts, home improvement and garden clubs, and group health schemes. The objective always has been to minimize the dislocation in family and community life which is a by-product of war.

Now that our production programme has reached its peak, the need for the provision of emergency housing has passed. The responsibility of Wartime Housing Limited will now be to administer and maintain its properties. In this connection, I would remind the house that Wartime Housing Limited was established for a specific purpose—to provide housing where and when a shortage of accommodation was likely to interfere with a munitions programme. The company has no jurisdiction in the field of general housing, which has continued to be the responsibility of the national housing administration.

General Purchases. The general purchasing division of the Department of Munitions and Supply is responsible for the procurement of personal equipment and the many items of service stores, such as food, fuel, medical supplies, hardware, etc. Total purchases to the end of 1943 amount to 2 billion 988 million dollars. We anticipate some reduction in the volume of purchases of this kind, but so long as the war lasts, and we continue to have hundreds of thousands of men and women under arms, the purchase of clothing, foodstuffs and medical supplies will continue to be a major factor in our budget. For example, we are now working on orders for 800,000 complete battle dress suits and 560,000 pairs of boots. Speaking of medical supplies, on the requisition of the Department of National Defence we have created recently facilities for the production of penicillin. We expect to obtain this very important medical store in volume supply at an early date.

Early in 1943, a crown company, known as North West Purchasing Limited, was set up to purchase requirements of the Canadian armed forces and the United States armed forces in northwestern Canada. During the height of construction activities in that area, the expenditures of North West Purchasing Limited were running at the rate of 1 million dollars per month. With the completion of certain of the larger construction projects, we anticipate a considerable falling off in the volume of purchases.

The Plateau Company, a crown company established in 1940 to purchase and stockpile raw silk, was abolished in 1943. The functions of this company, which also include the handling of limited quantities of raw cotton, kapok and nylon, have been absorbed by Melbourne Merchandising Limited, another crown company which has been responsible for the purchase of bulk wool required by the government for war purposes, and for the allocation of yarn for certain types of production.

The house will remember that under the terms of the Hyde Park agreement, Canada and the United States agreed to exchange materials and equipment required in their respective war programmes. War Supplies Limited, the crown company which was set up in 1941 to act as the agency in placing orders in Canada for delivery to the United States, has had a busy year.

Controls. I have been speaking of the various production programmes under the direction of the Department of Munitions and Supply. Each of these programmes is dependent on adequate supplies of raw and primary materials. This brings me to the second phase of the department's activities, the work of the wartime industries control board. The board consists of seventeen controllers and a chairman, who is responsible for coordinating their activities. I shall preface my remarks on the individual controls by pointing out, as I have done before, that we have established controls only where conservation of a particular material was indispensable to the success of the production programme.

Mr. HANSON (York-Sunbury): That is almost everywhere.

Mr. HOWE: No; only seventeen. By the same token, we relax controls whenever there is an easing of the supply position. This may be due in some cases to the building up of stocks of materials to the point where current and anticipated requirements have been satisfied, or it may be due to the falling off of a demand for a particular material due to changes in the requirements of the war services.

Coal. In normal times, we consume annually in this country approximately 26 million tons of coal, of which 14 million tons are produced in Canada and the balance imported from the United States. By 1943, our consumption had increased to 46 million tons, of which over 28 million tons have been imported. These figures will give the house some idea of our coal problem. Despite some improvement in the over-all production picture, there is no doubt that we shall have a serious coal problem on our hands for the duration of the war. As the house is aware, the problem of coal supply, like many other Canadian problems, differs from area to area. The output of domestic coals and lignites in western Canada has increased sufficiently to provide for home needs and to permit some export to the United States. In the maritimes, labour shortages and transportation problems have created shortages. We must have increased production if this area is to be self-contained. Central Canada is dependent to a large extent on coal imported from the United States. Our arrangements with the United States for the supply of bituminous and anthracite have been most satisfactory. While supplies of bituminous coal have been ample, we have not been able to obtain sufficient anthracite to meet our demands. Because of this, we have had to ask the householder in central Canada to use a certain proportion of bituminous coal. Some increase in the production of coke has helped to ease the situation.

Various measures have been adopted in an endeavour to stimulate Canadian production. The emergency coal production board, which operates under the coal controller, has provided financial assistance to mine operators in

various forms, especially in cases where the operation normally would be uneconomic. The board has also financed extensive stripping operations in western Canada. Late last summer, a fuel conservation programme was inaugurated for the industrial and commercial user and the householder; this has resulted in great savings in annual consumption. There was a time, early in the fall, when it seemed unlikely that we could fill our coal requirements. At that time, certain steps were taken by the coal controller to prevent hardship during the winter months. Regional offices were set up across Canada, with regional administrators to supervise the distribution of coal in the region. I am glad to say that some increase in production, the effects of the conservation programme, plus the great blessing of a mild winter, have dissipated our fears. However, we must not forget that we cannot count on an equally mild winter in the heating season of 1944-45.

Mr. HANSON (York-Sunbury): Another winter coming!

Mr. HOWE: The coal which is mined today, and in the next few months, will be marketed for next winter's supply. If we are to meet all of our requirements, industrial and domestic, we must continue a policy of strict conservation, and we must raise the level of production in those areas where production is now falling behind the demand.

Wood Fuel: Our annual consumption of wood fuel is 10 million cords, and about 90 per cent of this is produced by the farmer. The farmer also accounts for the consumption of about 60 per cent of our wood fuel cut. The balance of the cut is marketed in our cities and towns. Because of the severity of the winter 1942-43, stocks in hand fell off to an alarming degree. Wood Fuel Control was established to stimulate production, and to supervise the distribution of wood, in order that there might be no hardship during the present winter. The policy of subsidies, which was initiated last spring and extended through the winter months, did much to improve production. In addition to the production subsidy, transportation subsidies have also been paid, in order to facilitate the movement of wood to probable distressed areas. The wood fuel controller also initiated a number of special cutting projects, as a means of building up Government-owned banks of wood fuel, which could be held in reserve and shipped to any areas where distress was imminent. Studies of the consumption of wood fuel made it possible to determine the areas of high consumption. In these areas a special effort was made to have the cities and smaller municipalities undertake their own wood cutting, wood storing and wood distribution programmes. I am glad to report that most of the municipalities responded in splendid fashion to this proposal. These various measures, coupled with the extremely mild winter, have enabled us to meet all wood fuel requirements. We are hopeful that the fine weather we have had this winter will bring about a return to normal production on the farms. However, to ensure the building up of adequate stocks for the next heating season, the policy of paying production and transportation subsidies will continue in effect until June 1st. At that time we will review the policy in the light of the then existing supply of fuel wood.

Mr. HANSON (York-Sunbury): If the minister will permit me, will he have compiled and laid on the table or produced in some form a statement showing the amounts paid in subsidies for wood fuel, and to whom they were paid? I think this information ought to be given to the public, because the feeling is that the wrong people got the subsidies—the middle man, not the producer.

Mr. HOWE: I do not think it is the practice to table in the house payments to individuals.

Mr. HANSON (York-Sunbury): They should be in the auditor general's report.

Mr. HOWE: Perhaps. In any case I think the amount of the subsidies has been tabled in the house. However I shall be very glad to produce the information when the time comes. The intention was to pay the subsidy to dealers, and payments have been made to dealers.

Mr. HANSON (York-Sunbury): I thought it was to producers.

Mr. HOWE: The producer gets it through the dealer. The purpose is to allow the dealer to finance and to function.

Mr. HANSON (York-Sunbury): But the producer does not get it under this scheme.

Mr. HOWE: In any case the scheme produced the wood, and we were not getting it until we put the dealers in business.

Timber.—Our annual peace-time production of lumber is slightly below 4 billion board feet, of which we export 2 billion, 2 hundred million board feet. Our home requirements, plus very high commitments to the United Kingdom and the U.S.A., now outstrip the available supply. Despite very severe labour shortages, we were able, in 1943, to reach a production of 4 billion, 640 million board feet.

We did this largely because of the cooperation of national selective service in making available larger numbers of men for employment in bush operations

Our 1943 cut was distributed as follows:

In Canada for direct war use..	1,400 million ft.
For indirect war use and for essential civilian use, including railways, agriculture, housing and industry.....	1,340 million ft.
Shipped to Britain for war use.	1 billion ft.
Shipped to United States for war use	800 million ft.
Shipped to British empire countries other than Britain for direct war use.....	100 million ft.
Total.....	4,340 million ft.

I might point out that shipments to the United Kingdom and to the United States are exclusively for war uses. This war demand, added to the requirements of the armed services in Canada, has created a scarcity of dry lumber for the civilian user.

In 1944, overseas requirements for Britain and other combat areas will increase greatly. Requirements of the United States for war purposes will also continue at a high level. We anticipate some falling off in war requirements in Canada, due to the completion of a major part of the military construction programme. So far as we can estimate at this time, our total production for 1944 will be 4 billion 350 million board feet. Of this amount we will export 1 billion 980 million board feet, leaving for consumption in Canada 2 billion 370 million board feet. The larger supply which will be available for use in Canada will permit considerable easing of the restrictions in the use of lumber.

There are two crown companies operating in conjunction with timber control: Aero Timber Products Limited and Veneer Log Supply Limited. Aero Timber Products Limited is responsible for procuring supplies of Sitka spruce for the manufacture of aircraft in Canada and in the United Kingdom. Through extensive logging operations undertaken on the Pacific Coast, the company has been able to supplement the supply produced by private operators. Because of its very successful programme, we have been able to keep abreast of aircraft spruce requirements. Veneer Log Supply Limited is responsible for procuring supplies of logs for the manufacture of plywood and veneers for aircraft and other war uses. The company has been able to meet its supply quotas and to satisfy all requirements of Canadian mills and the British Ministry of Supply. All logs of a quality suitable for the manufacture of aircraft plywood must be sold to Veneer Log Supply. Logs of lower grades, which are used in the manufacture of commercial plywoods, may be disposed of through the normal business channels.

Power. Due to the expansion of our Canadian power resources and the various conservation measures which have been initiated by the power controller, Canada passed through the peak of all power demands at the turn of the year without serious shortage or inconvenience. However, the situation is still extremely tight, and we can look for no immediate relaxation of the various control orders which have been brought into effect to conserve power. Shortages of gas have occurred in western Ontario, but the new gas plant in Hamilton is now in complete operation, and it is hoped that the essential needs of this area can be met.

Machine Tools. This was one of our most important controls in the early stages of the production programme. To date, Citadel Merchandising Company Limited, the crown company which operates under the Machine Tools Controller, has procured and placed in war plants some 45,000 machine tools. The control still has a vital part to play in the production programme, but the nature of its work has changed considerably. To-day the problem is chiefly to allocate existing machine tool capacity in accordance with changing production needs. A special organization known as the Machine Tool War Service Committee has been set up to act as a clearing agency in the reallocation of tools.

A large number of machine tools which have been procured by the machine tools controller have remained in the ownership of the crown. The controller has maintained a complete inventory of these tools, with a full catalogue of sizes, types and working condition. In this way, the machine tools controller has a com plete day-to-day record of all government owned tools.

Cutting Tools and Gauges Limited, the crown company which was set up to procure gauges and to salvage and recondition cutting tools, has had a very successful year. The company has met all requirements for gauges and cutting tools.

Metals Control. As the house is aware, Canada is the main source of supply for the United Nations for many non-ferrous metals. We supply practically all of the nickel for the United Nations and 40 per cent of the aluminum requirements. As an indication of the expansion of production that has taken place since war began, I will place on *Hansard* a table showing the production figures of the

leading items in the non-ferrous metal group, using for purposes of comparison production in 1939 and in 1943:

	1939 Tons	1943 Tons
Aluminum	82,000	492,000
Refined copper	231,000	254,000
Lead	139,000	224,000
Nickel	63,000	102,000
Zinc	197,000	300,000

I would point out that this expansion has occurred in the face of very severe labour shortages, which have affected base metal mining operations perhaps more than any other of the heavy industries. The policy of promoting intensive exploration programmes for new deposits has brought rich rewards.

Our position with respect to certain of these metals is much better than at this time last year. Due to expanded production in Canada, we are now in fairly easy supply of aluminum, molybdenum, magnesium, tungsten, zinc, chrome, lead and copper. As a result, we have been able to release some quantity of these metals for civilian manufacture. In allocating supplies of non-ferrous metals for civilian use, the Wartime Industries Control Board works in cooperation with the Wartime Prices and Trade Board, which has jurisdiction in the field of civilian supply. The falling-off in the requirements of certain non-ferrous metals will result in the closing down of certain mining operations initiated by the Metals Controller. There remain only two or three metals, of which the chief is tin, for which the demand still exceeds the supply. Generally speaking, the stock position is such that we can meet that portion of the united nations' requirements of base metals for which Canada is committed. We will continue to build up stock piles as a protection against urgent demands which cannot now be estimated.

Wartime Metals Corporation, a crown company, which was established to administer the development of certain mining operations, has had a successful year. The company is now supervising the operation of eight projects, two for the Metals Controller and six for the Metals Reserve Board of the United States. Certain of the operations under the direction of the company will be closed down, due to the falling-off in requirements. The government-owned magnesium plant at Haley's Corners, Ontario, is also operated under the supervision of Wartime Metals Corporation. The plant now has a daily output of thirteen tons. There has been a gradual reduction in the cost of production each month since the plant went into operation.

[Mr. Howe.]

Oil. I have recently made a statement with regard to gasoline and oil products. Our position continues to be serious. Improvement in the transportation of crude has been more than offset by the ever-increasing demands for gasoline and oil products in the combat areas. As the tempo of the offensive mounts, the demand for aviation gasoline and other oil products also increases. This means that we cannot hope for any relaxation in the present conservation programme. As already announced, the rationing plan for the motorist will continue without important change. While we are unable to obtain as large quantities of the light grades of crude as formerly, we have been able to increase our imports of the heavy grades. Because of this, we have a surplus of heavy fuel oils and asphalt. This will permit considerable relaxation in the use of heavy fuel oils, and asphalt is now on the free list. It should be noted that light fuel oil, used for domestic heating, is in the same position as gasoline, in very short supply.

There was some misunderstanding after the statement I made a month ago. Many householders thought I was indicating a better situation for light fuel oil. That is not the case. Light fuel oil, of course, is in the same class as gasoline, because it can be made into gasoline by a different process of refining; so that we must have the same conservation programme in the homes for fuel oil as we have in the motor cars for gasoline.

Mr. ADAMSON: Is the difference in specific gravity?

Mr. HOWE: Yes.

Mr. ADAMSON: It is purely a matter of specific gravity of the oil?

Mr. HOWE: Pretty well, yes.

During the past year, a new Canadian refinery, and a new alkylate plant, came into production. This new production will increase substantially the supply of aviation gasoline for the use of the British Commonwealth Air Training plan. Nevertheless, we are still in very short supply of aviation gasoline.

In May, 1943, Wartime Oils Limited, a crown company, was established to develop submarginal areas in the Alberta oil fields. Twelve wells have been financed to date. Of these, six have been completed and are now producing oil. We expect the balance of the wells to be in production by the end of June.

I had hoped to be able to give final reports on the results of the investigation of the production of oil from bituminous sands in northern Alberta. This work is being carried out under the direction of the Department of Mines and Resources. There is no technical

data available as yet, which would warrant any forecast as to what can be expected from this development in the way of oil production.

I may say that, as requested by the hon. member for Danforth (Mr. Harris), I shall give a statement later as to the position at this time in connection with Abasand.

Rubber.—I have explained to the house in previous reports that Canada has had to depend for her supplies of raw rubber on quotas which are allocated from the united nations' stock pile. This stock pile has been a dwindling asset, and our problem has been to bring in production of synthetic rubber in time to avoid a shortage, which would have crippled our production programme. We have reached the point where I am able to say that we have won the race. The government-owned plant at Sarnia, which is administered by the Polymer Corporation, a crown company, is now in production. The estimated annual output of the plant, operating at full capacity, will be 34,000 long tons of buna-S and 4,000 long tons of butyl. The plant is a self-contained unit, producing butyl rubber, and styrene and butadiene, which are combined to produce buna-S rubber. The styrene plant came into production last July, the butadiene plant in February of this year. The production of buna-S rubber began at half capacity last September, with the use of styrene produced at the plant, and butadiene imported from the United States. Now that the butadiene unit is in production, imports from the United States will terminate. Production of buna-S is currently at the rate of 2500 tons per month, and butyl rubber at 150 tons per month. Production of buna-S should reach full capacity by May, and production of butyl by July. It is worth noting that the Polymer plant has no counterpart anywhere. Some plants produce one or more ingredients of synthetic, others produce finished synthetic. The Polymer plant produces all of the ingredients of synthetic rubber and manufactures two finished synthetics.

The production of synthetic rubber on this continent in commercial quantities is a new venture. The process which has been used by Polymer is similar to that adopted in the synthetic rubber programme in the United States. I may tell the house that Polymer has come into production in as short a space of time as any of the synthetic rubber projects with which it can be compared. With the Polymer plant in full production, we will be able to meet war and strictly essential requirements. We will not be able to give any great relief to the ordinary civilian user. It is expected that 900,000 tires will be manufactured from synthetic rubber in 1944. A large part of these will go on military vehicles. The balance will be distributed to the public in accordance with the regulations of the tire rationing plan.

A word about the quality of these tires. It is not possible yet to say that a synthetic tire matches the quality of a raw rubber tire. This department is conducting very extensive tests of synthetic tires, in conjunction with the United States army. The data obtained from these tests will, we hope, help to improve the quality of synthetic tires. So far as we can now estimate, the synthetic tire is about 80 per cent as efficient as a raw rubber tire. It is still necessary to use a certain proportion of natural rubber in the fabrication of tires for heavy duty and high speed operation.

We are now in a very easy position on rubber scrap. There are very large stock piles in Canada and in the United States.

The Fairmont Company, a crown company, continues to be the government agency for the purchase, sale and stock-piling of natural and synthetic rubber. The company works in close conjunction with the rubber controller and with the Polymer Corporation.

Mr. ADAMSON: Do I understand the minister to say that Polymer is a completely integrated organization?

Mr. HOWE: Yes.

Mr. ADAMSON: And the only one of its kind?

Mr. HOWE: Yes, that is true.

Supplies Control. The supplies of cork are now adequate, and restrictions respecting its use have been lifted except for the manufacture of linoleum, where shortage of other materials is the real limiting factor. While increased supplies of kapok have been forthcoming from India, our existing stocks must still be held exclusively for use in life-saving equipment of all types.

While the demand from Canadian war industry for nylon has declined, the restrictions on this fibre are still in effect, as our output is required overseas.

We have adequate supplies of the hard fibre for the manufacture of rope, but demands for the fishing industry are in excess of present productive capacity. Although the supply situation has improved somewhat, the demands from our ever-growing navy, and our fishermen, do not indicate any immediate relaxation of the controls affecting manila, sisal and henequen fibres.

As recently announced, this control has been transferred to the Wartime Prices and Trade Board, since the problems with which it is concerned now have to do with civilian supply.

Steel. Our production of steel for 1943, amounting to 2 million 528 thousand tons, approximately doubled our production in 1939. Our total consumption in 1943 was 3 million 620 thousand tons, which means that we had to import from the United States, roughly, 1 million 92 thousand tons, or one-third of our requirements. During most of 1943, the steel position continued to be tight. We were able to meet war and essential needs only by the strictest conservation. The situation has changed very materially in recent months. Changes in the production programme, with the shift to lighter items, and the completion of the industrial expansion incidental to the war programme have been the principal factors. Therefore, it has been possible to lift some of the steel restrictions, and seven of the control orders which were in effect in 1941, 1942 and 1943 have been lifted. Certain types of steel continue to be in short supply, mainly plates, sheets and strips. These will be subject to control until such time as the supply position improves. Sheets are extremely tight, both in Canada and in the United States, and I am unable to offer any hope that an increased supply will be available for the manufacture of roofing.

Motor Vehicle Control. This control was established to distribute the very small supply of trucks and passenger automobiles which are available for civilian use, and to maintain the necessary flow of parts for the servicing of trucks and passenger automobiles. We have not manufactured any passenger automobiles in Canada since April 1942. At that time, a number of passenger automobiles were placed in a government bank. These are allowed to be sold only under the regulations of the Motor Vehicle Controller, and in cases of the higest essentiality. So long as the demand for military vehicles and parts continues at its present level, there is no prospect of our being able to manufacture passenger automobiles.

Studies recently compiled for allied nations show a severe world shortage of trucks for military and civil needs during 1944. Because it is necessary that we maintain essential trucking services, we have manufactured each year a small quota of trucks. While we hope to increase the number that will be manufactured in 1944, we cannot begin to make available sufficient trucks to meet the normal demands. For this reason, a strict control of distribution must be maintained. We are dependent on the United States for our supply of heavy-duty trucks, an agreed quota of imports being fixed in co-operation with the War Production Board of the United States. Here again the number that can be obtained is considerably below the demand.

Mr. HANSON (York-Sunbury): Will the minister say what the quota will be, or did he give the number?

Mr. HOWE: Does the hon. member mean the total of domestic trucks? I shall be glad to give the figures later.

Chemicals.—Changes in war programmes have permitted some relaxation of controls in this field. Glycerine, formerly in very short supply, is now available for certain commercial uses. We are also now able to release coal tar for civilian purposes.

Mr. FRASER (Peterborough West): I understood that glycerine was released for anti-freeze purposes, but from what I can make out among the garage men it was released for only a day or so and taken off the market again.

Mr. HOWE: I shall be glad to look that up. Possibly another shortage developed and it was taken off. I know the control was taken off for a time.

Canada is an important source of supply of sulphuric acid and ethyl alcohol, for the United States. Our distilling capacity is now devoted entirely to the production of ethyl alcohol. Approximately one-half of our production is consumed in Canada. The balance is exported to the United States. Soda ash, a most important war chemical, is in very short supply, and we are dependent on importations from the United Kingdom and from the United States. In this control, as in others, supplies for civilian use will be released as circumstances permit.

Construction. The purpose of Construction Control is to conserve strategic materials, such as steel, lumber and other builders' supplies, by restricting non-essential building projects. In the early years of the war, the demands of military construction projects and of war industry for steel, lumber and other builders' supplies was very great. That demand has fallen off to a considerable extent, and is reflected in the easing of Construction Control regulations, particularly as they affect the construction of private dwelling houses. There has been some increase in the amount of money that can be expended on new building or repairs without a permit from the Controller of

Construction. The issuance of licences is still dependent to some extent on the labour situation in the area in which the building is located. The supply position has not yet improved sufficiently to permit the issuance of permits for public buildings, churches, places of amusement, etc., unless the circumstances are very exceptional. It is estimated that as of the 1st of February, 1944, there is a backlog of construction projects of 300 million dollars.

Transit control. Our urban transit facilities continue to carry a very heavy burden. So far as we can estimate, transit systems are now carrying twice as many passengers as in 1938. I do not think it is any exaggeration to say that many of these systems would have bogged down had we not established transit control.

Staggered hours arrangements have provided considerable relief. Under the Wartime Industrial Transit Plan, 54,000 private automobiles are now mobilized to transport war workers to and from their work. In addition to these measures, which were designed to relieve overburdening of transit facilities, we have made further curtailments of certain interurban bus services. Bus equipment is in very short supply, and these curtailments have enabled us to transfer buses to more essential routes. This control is tied in closely with rubber and gasoline conservation plans. The object of the rigid control of taxicabs, which is now being maintained, is to assist in the conservation of these very vital supplies. There has been a considerable reduction in the number of taxicabs in service without, I think, any undue inconvenience to the public.

Priorities. Our priorities system continues to operate most satisfactorily. As the priorities office works in intimate association with the various production divisions, we have not found it necessary to institute a formal priorities procedure for deliveries of equipment and components produced in Canada. We thus have been able to arrange deliveries without recourse to an elaborate procedure, with its inevitable confusion and delay.

As we are dependent on the United States for much of our equipment, and many of our components, the Priorities Office has had to maintain a close working arrangement with the priorities division of the War Production Board of the United States. In the case of importations of equipment and components from the United States, we have conformed to the priority procedure laid down by the priorities division of the War Production Board. This will explain why a manufacturer, jobber or dealer who is importing equipment or components from the United States must submit certain application forms to the Canadian priorities office. These applications are screened in the Canadian priorities office, but the final decision on the priority rests with the Priorities Division of the War Production Board.

Similarly, with importations from the United Kingdom, we have worked out an arrangement with the British Board of Trade whereby imports are kept at the minimum dictated by necessity. This has helped to conserve vital shipping space.

Before leaving the subject of controllers, I would point out that the duty of each controller has been to organize his industry for maximum production and to arrange distribution of his product in such a way that essential war needs can be met in full and the surplus distributed fairly among civilian users. Throughout a period of world scarcity of products essential to war production, Canadian production has never been seriously delayed for lack of raw materials. Under the direction of our controllers, our basic industries have been expanded greatly, always in time to meet the anticipated demand. Even materials which must be imported into Canada have been kept in supply. To me, the distribution of materials brought about by our controllers has been a miracle; certainly our record in that respect has not been equalled in any allied country. Now that the supply situation is easing, I am glad to pay this tribute to the work of our controllers, throughout a period of acute world scarcity.

War production in Canada has reached its peak, but the work of my Department has not lessened on that account. The termination of contracts, as dictated by the strategy of the war, is no easy task. Machinery for termination has been provided, which will, I believe, permit prompt conversion by the manufacturer of peacetime production, while fully protecting the government's interest in the cancelled contract.

There is also the problem of disposing of surplus materials, and surplus and obsolete equipment, purchased by the government for war purposes. A crown company, War Assets Corporation Limited, has been formed to deal with this problem, and parliament will be asked to consider legislation bearing on this problem.

Canada's great volume of war production has been made possible by full-out cooperation with the government, on the part of private industry, the producer, and the worker. My Department has called on each for a great effort, directed toward the winning of the war, and each has responded in full measure.

This war is responsible for the destruction of life and property on an unprecedented scale, but we in Canada will receive some compensation through enlargements of our productive capacity which can later be directed into peacetime production. Reconversion of industry must wait until the demands of war are satisfied, but active steps are being taken to prepare for rapid reconversion when the time comes. Whether that time will be near, or distant, must depend on the progress of the war, but until the time comes, there must be neither slackening off in war production, nor diversion of productive capacity away from war requirements. Let us concentrate on winning the war, while looking forward with confidence in our ability to meet the problems of conversion, when our paramount job is behind us.

Mr. HARRIS (Danforth): The committee will understand that of necessity my observations will be of a general character, inasmuch as we have not the information that the minister was to give us, and shall not have it until such time as it is produced.

In the criticism I have to offer I shall try to be as constructive as possible. I am not anxious to get the minister into one of those moods into which he slips so easily and so often. My first criticism is in regard to the presentation of the estimates on February 11. Why can the department not furnish us with a break-down as other departments have done? If the advance information would be of comfort to the enemy, then I could understand it; but I cannot see why on that account the minister should be restrained from producing a proper break-down of the appropriation so that we should know of any radical changes that were made in certain of the many activities he found it necessary to review in his annual statement. We are given two lines in the estimates of the Depatment of Munitions and Supply, and page after page in all the other departments.

My next criticism is this. While it may be quite true that the function of the Department of Munitions and Supply is to purchase on order what is requisitioned by other branches of the services, not only in Canada but abroad, now that we are in the fifth year of the war does the committee really think that is sufficient at this stage? Do you really think, Mr. Chairman, that we are taking a sufficiently long-range view in having this department responsible for all munitions and supply, construction and so on, without some definite planning for the future? I realize at once that the task of the minister is of great magnitude; but to my mind it is not planning for the future with respect to many branches of the services, some of which I shall recite in a few moments. In the meantime the general criticism I have to make is that the minister's statement seems to resolve itself into an historical review of what has been done. We have that review in the press from day to day, from week to week, and from month to month; we have it in the publications of the wartime information board and in other sources of information. They tell us of the increase in production here and there when it is all gathered together. It should not be necessary for the minister to occupy the time of the committee in giving us another historical review of what is happening.

The assets held by the crown are now very large. With the holding of the assets there comes the responsibility of keeping them at work, particularly the capital assets. If there is not sufficient work for those plants in supplying munitions, then some department of government should be responsible for seeing to it that the capital expenditure is kept operating on peace-time needs, if not on war-time needs. It may be said that it is quite easy to shut down a few plants and transfer the employees, but you cannot transfer the fixed assets. Someone should be giving consideration to that particular part of our programme. The war targets have been attained, and in attaining them, considerable programme revision has been found necessary. That is inevitable. But in the revision which is necessary on account of change in types and kinds of war machines, the shutting-down of plants is something which should be given more consideration.

Single-purpose plants have been referred to. I can realize the difficulty of transforming them into something which is necessary on a larger scale. The probability is that the single-purpose plants are small and perhaps located in small communities where labour conditions are such that there is not sufficient labour to justify any other course. Yet there is a crying need in Canada to-day for peace-time industries in small communities where industries are now working partly on war production. These industries are necessary to the economic life of Canada. They are necessary to keep the population in the small towns. Small single-purpose plants should be kept in operation so that the small centres across Canada will not be disorganized. Through the enthusiasm and encouragement of the munitions industry in days gone by, many of these small industries have become established. They are no longer necessary. They find that they will have to leave the town, and when peace is declared we are apt to have the spectacle of ghost towns springing up

all across Canada. Up to a short time ago there were thriving munitions industries in those towns. Let us take time by the forelock. Let some department of government take the responsibility of planning now with regard to the single-purpose plants referred to by the minister, and keep them in some kind of production.

It is not enough to cooperate with national selective service and move the population from point to point. Consideration must be given to the plants themselves. The increase of fifty per cent in aircraft production is something which I think ought to arouse the Canadian people who are now air-minded, and I would say that it is in the interests of Canada. The export production that we have had—"L for lanky", I think they call it over the radio—all helps, it is quite true, to build up the morale of the Canadian people. Congratulations were extended to the minister on this production, and they were quite in order, but let us have all sides of the picture as we go along. I did not hear very much said about the casualties in Ortona being taken to hospital in jeeps because no ambulances were available. It is a great tribute to the Canadian people that our trucks and ambulances can get through the sands of Africa, but there are other places where matters could be improved considerably. It is very nice to hear the minister tell us of these tributes that have been paid to us, but I should like him to present something more forward looking.

In the matter of mechanical transport we learn that our production has been 593,000 units, but now we find that this department has also gone into the business of supplying freight cars and engines for domestic use. If that is just a case of helping out because the Department of Munitions and Supply has under its control the equipment and tools necessary to make these things, well and good, but let that production go back into its natural channels, and let those who are able to build that equipment do so, as soon as possible.

Then I understand that the production of explosives has been reduced to some extent, and that one plant has been shut down. I wonder why that should be the case. I am trying to follow the minister's remarks seriatim, but he mentioned explosives in the early part of his remarks and dealt with chemicals later on, while the hon. member for Peterborough West raised the question of glycerine. I wonder why within the last month the glycerine market should have slumped. I wonder why there should be no sale for crude glycerine in Canada to-day. I congratulate the government upon holding the ceiling price of glycerine at 12½ cents a pound, in contrast with the situation in the last war when, because of world conditions, it soared to three or four times that price. The market price now, however, is down to around nine cents, with no sales. I think the parliamentary assistant should give the committee the story of that commodity, which is a natural product of Canada, because I am sure the present price will have far-reaching effects in connection with the raw material which goes to make up that product. In this country, which has very few plants able to handle crude glycerine, I wonder if there is not something going on between those plants, just to hold down the market, or if there is some other reason. I think in fairness to Canada the minister or his parliamentary assistant should give a frank statement as to the reserve supply of this commodity.

We were told that gun production has seen some conversion carried out, but we have no details. Probably the minister has not time in one statement to go into everything, but we are interested in details. I am sure Canada would be greatly interested to learn that we are working on orders for China, and also that there is another type of naval gun coming. Similarly in connection with small arms we have a modified version of the Bren gun. The minister mentioned that two cordite plants had been closed and that the plant at Nobel had been discontinued, so that the remarks I made previously in that regard are borne out by this part of the minister's statement. Tribute was paid to our chemists, chemical engineers and engineers. I join in that tribute modestly, perhaps, because I happen to be one of them, though I do not work at that profession, which has been long neglected. It is not recognized as a profession as we understand them, but I should like to take advantage of this occasion to say that it should be so recognized. No other country in the world has the opportunity Canada has for the development of chemical and engineering research, owing to the natural resources with which this dominion is blessed; and nothing that can be done to raise the standard of that profession should be left undone. Anything that will tend to increase the research carried on in Canada will work to the benefit of this country. The minister mentioned that he had fifty units working on explosives of one kind and another. It is hardly enough to say just that. How many of these units are operating; how many are closed down, and where are they located? Has the manufacturing industry of Canada been advised through the proper channels that it is not likely some of these institutions will commence operations again? Has any survey been made to ascertain what might be done with the units that are closed down?

I come now to the portion of the minister's remarks dealing with construction, including that in connection with air training schools and barracks. If I heard the minister aright, $100,000,000 is to be devoted to this type of construction during the coming year. I wonder whether we are looking forward to what will happen when the war is over, and whether we we are taking any care to see that these undertakings, which represent a tremendous investment, are located near centres where they will be of some use after the war. I think too many heavy expenditures have been made on construction, and fairly good construction at that, in remote parts of Canada when it was not absolutely necessary to have these buildings so far removed from centres of population. This country is now filled with the idea that we are to raise a new brand of youth, that we are to have youth training centres, and that many of these buildings will be used for cadet training centres and physical culture centres of one kind or another. Many of these buildings would come in very handy and be very useful in connection with the housing and training of our youth when peace returns. We cannot stop this youth movement; they are going to demand the use of these facilities, and in the expenditures made from now on consideration should be given to these factors when deciding where these buildings should be located. A good many of us are of the opinion that this war will end in two or three years, if not before, and that then we shall have a great surge of boys returning, with a great demand for facilities of this kind.

I am thinking of one instance which comes forcefully to mind at the moment, and perhaps I might pass it on to the minister. We have about eight sea cadet corps training in the basements and gymnasiums of schools in the city of Toronto. There are no facilities for what they call a deck, on which these boys can train as sea cadets. When the war is over we shall still be training sea cadets, not only in Ontario but in other parts of Canada. In Malvern collegiate institute we are training air cadets. There are no proper facilities at that school for the training of these boys. When the war is over we shall still be training air cadets. If we had some centre that could be used for that particular purpose we would avoid interfering with the school curriculum and would build up a centre of training to which the youth of this country might go. Pupils do not like to go back to school after hours; if they do, when they are there they do not feel that they have a home of their own. So that in the construction programme in all parts of Canada I hope consideration will be given to having these buildings erected in or near centres of population.

[Mr. J. H. Harris.]

For the first time I realized more of what the Department of Munitions and Supply was doing when I found that it was asked to provide, I presume for war and other plants, social, educational and health schemes, and I think the minister said baby clinics and other things that might come under a health programme. My general criticism of a programme of this kind is based on the fact that we have permanent health programmes, carried on in permanent structures in the municipalities. We have permanent programmes and permanent construction fostered by the provinces. We have another set of temporary structures or temporary services for these plants. Some department of government should be charged with the responsibility of synchronizing these particular efforts. A great difficulty with our form of government is that Jones does not know what Smith is doing. I venture the opinion that in the carrying out of the social and health and educational schemes recited by the minister there is very little coordination or coalescence between the present set-up and the different organizations set up in the provinces to render these services.

The same thing can be said about the handling of medical stores. In Ottawa there is a medical stores branch for the army and I understand they indent upon Munitions and Supply. The Minister of Pensions and National Health has a very good centre for the dispensing of standard medicines, a centre which has been built up over the last twenty years, a centre which is functioning very well. The navy, the senior service, has its own orders of the day with regard to these supplies, but I cannot say whether they indent upon Munitions and Supply. However, they do their own distributing in their own way. The air force has another system set up. The result is that there are four or five systems with four or five sets of personnel. The army, the air force and the navy have men mixing up pharmaceuticals of one kind or another and receiving army, air force or navy pay. The Department of Pensions and National Health have a civilian staff doing the same thing and receiving civilian pay. The difference between the rates of pay is such that proper cooperation in this work is not obtained. To a large extent the men charged with the responsibility of doing this work in the army, the navy or the air force are lieutenants or other commissioned officers who have a smattering of the subject, perhaps learned in a back-country drugstore. They are not trained in the manufacturing of pharmaceuticals, with the result that there is not the

efficiency there would be if a proper plan were adopted and there were more coordination of these efforts.

There is a point I should like to make in connection with the health centre programme being sponsored by the minister's department. Take Kingston, for instance, where I understand a centre is located. I think it will be found that the government centre is competing with other like establishments for the necessary labour. I notice the parliamentary assistant is making a note. If Kingston is not the right place, then these remarks will apply to other places. As I say, I believe it will be found that the government centre is competing with other organizations for the personnel to carry on electro-therapy work and other work needed in the centre.

I come now to the matter of controls. The minister says that there are seventeen controllers. That may be right, but there must be about 1,700 deputy controllers. According to the correspondence I have had the privilege of looking over, there seems to be a different signature on every letter. I note with interest the statement of the minister that some of these controls are not now necessary. These controllers should be released as quickly as possible, because I think it will be found that while perhaps they have not irritated industry in general, they have made it quite difficult for industry to carry on. Now that inventories are piling up in Munitions and Supply, more and more consideration should be given to relaxing these controls. I do not want to take the responsibility for this, should there be a substantial relaxing of these controls and then by some misadventure election time comes along and this be taken as another plank in the platform of my hon. friends who sit opposite. That plank is already in the platform of the party it is my pleasure to support.

We are still importing tremendous quantities of coal. The minister stated that providence was kind to us this year but conditions may be serious next year. We must take the long-range view of this and build up a reserve stock of fuel for next year. Reference has been made to the tendency of industry to centralize itself. Some long-range scheme should be adopted whereby industry could be transferred closer to the supply of coal, particularly to points in western Canada. As the hon. member for Davenport (Mr. MacNicol) has said at different times, more industries should be established where coal is available. Not only would that help in the distribution of fuel, but the effect upon the labour supply would be considerable. This year industry in Winnipeg was able to get labour. This year industry in Toronto was not able to get labour. We all know that labour is available during the winter months in western Canada and, as I say, plans should be made to transfer as much industry as possible to this part of Canada.

The minister referred to anthracite coal and substitutes for anthracite coal. Pocahontas coal is the principal substitute for anthracite coal. It has done a good job in this last winter which has been quite mild, but what has happened is that fifty-seven varieties of Pocahontas coal are being offered to the consumers. The quality depends upon the amount of other grades, mostly lower, of coal that are mixed in.

I come now to the question of lumber. Four or five billion board feet have been produced and the exports have amounted to one billion board feet. Referring particularly to planks and boards, I wonder if the crown companies need to exercise as much control? Do they need to go into this business as intensely as they are doing? I do not know and I ask the minister to have his parliamentary assistant answer this question: Can we not do away with much of the control exercised over this particular industry and let it carry on naturally?

I should like to say a word about plywoods and veneers. As time goes on there will be a tremendous increase in the use of these woods in all parts of the world. I ask whatever minister has the responsibility in this matter to give a close study to the possible development of plywoods and veneers. These woods have made tremendous strides during the war and I am sure they will make greater strides after the war is over. They are replacing steel and aluminum and many other lighter metals in a great many ways.

I come now to the base metals. Perhaps we have heard enough about aluminum and we have a fairly good idea about the amount of production. On the whole Canada is doing a good job in producing aluminum. Whether or not the structure which makes it possible for the plant to operate is properly organized is a question upon which I am not going to touch. But I wonder why we are not producing more magnesium. This metal is lighter than aluminum. In many ways it is better than aluminum, but in other ways it has certain handicaps to overcome. I ask the minister or the parliamentary assistant to give the committee a frank statement on the magnesium situation. Why are we producing only thirteen tons a day? While the hon member is making a note, perhaps he will permit me to make another comment. Is

the reason for this small production of magnesium the fact that we have such a tremendous productive capacity of aluminum? Is it that we do not want to interfere in any way with the sale of aluminum or with the position of this metal after the war? My comments are based on general observations.

At Thetford Mines, asbestos mines, I imagine I would be safe in saying that there are lying at the pit-head and not being used thousands of tons of semi-dressed magnesium ores, bereft of their mica and asbestos and broken into sizes which could readily be handled by steam shovel or otherwise, with perhaps one-third of the work of dressing already done on them. This is not being used and there is no particular development of any consequence apart from the thirteen tons a day which the minister mentioned. I should like to have a statement from the minister, if it is within the ambit of his department, as to why we are not using more magnesium and why more development work is not being done on this natural resource which we have in our country in such abundance.

As to molybdenum, copper and the other base metals, my understanding is that we have a tremendous backlog of copper and I think that should be maintained.

Mr. HOWE: While copper is in an easy position, there is no great stock-pile.

Mr. HARRIS (Danforth): There is no great stock-pile, the minister says. Then now is the time to get a stock-pile, because we are having some difficulty in holding the price of copper in world markets. If that is the case, it must be in production at a substantial profit, and certainly we should have on hand a fair supply of this essential material.

We are all disappointed that over the last twenty years there has been no definite or positive development of the tar sands, and I hope the hon. member for Davenport will pursue his quest with the department with regard to this particular development.

The interesting statement given by the minister on the rubber situation will be pleasing to the Canadian people. I should like to know whether the men who are responsible for that development, the engineers, chemists and what-not, are being given proper recognition. It is interesting to know that our production of steel in Canada has progressed in the proportions it has during the last decade. We are still importing one-third of our requirements. That strikes me as a very small figure, because I was of the opinion that we were importing more. I should like the minister to put on record the figures of our imports of steel. At the same time I wish to emphasize this warning to those hon. members who have the idea that the tape on the border between the United States and Canada is going to be rolled up—the tape being the duties at present in being and not now being applied—what will happen to the steel industry when the war is over if their policy is followed right through? How long should we be in the position of importing only one-third of our requirements and producing the other two-thirds? That is something which should give Canada serious concern, when we think of all the employees who are now engaged in the manufacture of steel in this country. I should like the minister or his parliamentary assistant to put on the record the number of workers now engaged in the steel industry in Canada.

Then I come to trucks. We are not producing them. The transit controller has put a control on trucks so that they will not be worn out too fast. As long as trucks are needed in the European theatre of war, let us do without them and devote our production of trucks to war purposes. But if the transit controller, working in harmony with other branches of the Department of Munitions and Supply, finds it necessary to restrict the use of trucks in this country, let me just bring to the attention of hon. members one little problem in that connection. The trucking hours have been staggered. Those of us who are operating trucks will put up with any inconvenience that may be necessary because there is a war on; but when the controller goes farther and passes regulations that trucks shall not operate on a certain day of the week, shall be off the highway one day in five—and with Saturday afternoon off, that brings the number of days operations to four —I want to say that the industry finds great difficulty in providing other work for the truck drivers to do on the day when they cannot take out their machines. Someone might say, put them in some other line of production. But truck drivers get a premium of from five to six or ten cents an hour over the average factory labourer. Moreover, the truck driver is out in the weather four days in the week, and he does not like going into the shop on the fifth day and then having to go back out into the weather the next day. His constitution will not stand it. When he does go into the shop he will not accept the pay which the ordinary labourer is drawing, and the ordinary labourer —and the truck driver may not be as efficient because he is working inside only one day a week—is not satisfied to work alongside him for from five to ten cents an hour less.

Mr. HOWE: The official who controls trucking is not in the Department of Munitions and Supply, but in the wartime prices and trade board.

Mr. HARRIS (Danforth): But the minister mentioned the transit controller and staggered hours.

Mr. HOWE: The transit controller has to do with transporting people in buses and street-cars.

Mr. HARRIS (Danforth): That is on the record anyway, and he that hath charge and responsibility therefor, let him note and pay heed to that I have said.

In the main my criticism is that there is no department of government that is forward-looking with regard to this tremendous industrial asset which we have found it necessary to build up to produce munitions of war, not only with regard to the asset in its capital sense but with regard to the future vocations for men and women engaged in this industry across the country. What are you going to do with them when hostilities cease? What are you going to do now with the people engaged in those portions of the industry which are closing down, with consequent moving from place to place? What are you going to do with the municipalities who find that these war industries have left them? That is something which is the responsibility of this house and something to which considerable thought should be given. When I say that, I am not anxious that the Department of Munitions and Supply should assume the whole responsibility for the future of that great personnel now earning their living from this war-time necessity. But these workers do need to be guided and to be told that something is likely to happen to the industry in which they are engaged, and some lead should be given to them as to where they are to be able to earn their living. It is easy enough to say that the housewives can go back to their homes and the schoolboys and schoolgirls go back to school, but that is not enough. Many of the housewives will never go back to domestic duties. A great number of the schoolboys and schoolgirls will not go back to school. Something more has to be done, and when that something more is being done for them I should like to see them guided by these ten good points which I ran across in a newspaper to-day, reprinted from the Land o' Lakes News, in the San Francisco *Argonaut:*

1. You cannot bring about prosperity by discouraging thrift.
2. You cannot strengthen the weak by weakening the strong.
3. You cannot help small men by tearing down big men.
4. You cannot help the poor by destroying the rich.
5. You cannot lift the wage-earner by pulling down the wage-payer.
6. You cannot keep out of trouble by spending more than your income.
7. You cannot further the brotherhood of man by inciting class hatred.
8. You cannot establish sound security on borrowed money.
9. You cannot build character and courage by taking away a man's initiative and independence.
10. You cannot help men permanently by doing for them what they could and should do for themselves.

But we can guide them and make a frank statement to them of the position into which we are drifting, and some department of government, in cooperation with the Department of Munitions and Supply, should be charged with the responsibility of taking a forward-looking view in the position in which we now find ourselves.

Mr. LACOMBE (Translation): In entering upon a discussion of the estimates of the Department of Munitions and Supply, I have in mind the numerous restrictions placed on the manufacture of articles of which the civilian population of this country has an essential need. At a time when farmers must renew their agricultural implements the all-essential farming industry is deprived of indispensable machines. The producers of maple sugar and syrup are in a similarly deplorable situation as regards their maple groves. We are told that metals are reserved for the prosecution of war. When it is obvious that war profiteers have exported thousands of tons of Canadian metal to the enemy since the declaration of war and a few days only before the outbreak of the conflict, is it surprising that our essential civilian industries should be deprived of articles necessary for their production? We are told again and again by the government that metals are reserved for the prosecution of war. Then, why did they authorize the export of our metals to Japan, a few weeks before war started between that country and the United States and Canada hastened to declare war on her? Is it conceivable that the government of Canada should have shown so little foresight as to let the enemy use our metals for building up a war machine which has already caused deaths within the ranks of our army, our navy and our air force? Those who have been responsible for such a dire situation shall be required by the people to account for their rank carelessness. I cannot find words strong enough to stigmatize such an attitude. I may be told that "such a situation could not have been anticipated". That is a poor excuse. The premonitory signs of Japan's warlike intentions could not

have escaped the attention of the government. Their connection with the Rome-Berlin axis was obvious. Reference to *Hansard* will show the concern of the government about the action of Japan, many months before her attack against Pearl Harbor. Once again, criminal purveyors had succeeded in cheating the authorities in order to increase their wealth. A small number of profiteers were waxing rich in betraying their country and laying our soldiers, airmen and sailors open to the attacks of the warships, bombers, guns and machine guns built by the enemy out of our metals. Such is the treacherous work of loathsome exporters and manufacturers who should be treated as the worst felons and brought before the courts of justice to answer for their crime.

I shall now deal with the rationing of oils and gasoline. It was indeed worth while to resort to it. It has been and is still disastrous. We have seen holders of the lowest category of ration books travel by motor car during the summer, the fall and even the winter. The black market was rampant for gasoline as well as for all rationed goods, meats, foodstuffs, sugar, alcohol, and so forth.

In a country like ours, endowed with enormous natural resources, rationing is not only a nonsense but an utter folly. As evidence, I need only mention the wasting of millions of pounds of meat, recently revealed, the hoarding, by thousands of families, of foodstuffs definitely wasted because they have become unfit for consumption and the failure of the government to carry out their now famous planned economy programme. That is a meaningless term.

In fact, the government, panic-stricken before the condition it has brought about, has just lifted restrictions on meat and beer. Believe me, it will not stop at that, all the more since it is now vainly trying to coax itself back into the favour of the people before appealing to the country, which step is required by public censure and the constitution.

The Minister of Munitions and Supply (Mr. Howe) remarked last Friday, in the course of the debate, on the ruinous competition maintained by our railways with regard to transportation all over the country. This is a well-known fact. The Canadian National Railways, however, are ready to build a new elevated railroad in the northern part of Montreal instead of using the Canadian Pacific track over a long stretch of the new branch-line. Elevated railroads in 1944! Are they so little conscious of progress and reality that they must cut up six of the lovliest parishes of Montreal to make them reek with evil smells?

[Mr. Lacombe.]

Let the government reject such a proposal. If new railroads are to be built, let them be underground. If this should cost ten or fifteen million dollars extra, little does it matter. A country which subscribes bounteous gifts and billion dollar presents annually can afford to spend a few million dollars on constructive and permanent works.

Let us think of the post-war period and save the northern part of Montreal from the calamity of elevated railroads which would shame the present government and disgrace the metropolis of Canada.

(Text)

Mr. Chairman, in concluding my remarks I wish to call the attention of the government and of parliament to a grievance of a very serious character. I wish to speak of the disastrous situation that is overtaking the producers of maple syrup and maple sugar—

The CHAIRMAN: Order. I have allowed the hon. member a great deal of latitude while he has been speaking in French, but he will realize that maple syrup and maple sugar have nothing to do with the item before the Chair.

Mr. MacNICOL: It is about time he was called to order.

Mr. LACOMBE (Translation): Mr. Chairman, we are considering the estimates of the Minister of Munitions and Supply (Mr. Howe) and I would point out to you that maple sugar and syrup are national supplies. Shall I keep on?

Mr. CHEVRIER (Translation): Maple sugar and syrup come under the wartime prices and trade board and not under item 1 which we are now considering.

Mr. LACOMBE (Translation): Mr. Chairman, speaking to the point of order raised by the hon. member for Stormont (Mr. Chevrier) I wish to state that the whole matter of rationing comes under the Department of Munitions and Supply and that maple sugar and syrup are rationed in this country. Am I entitled or not to speak on this matter?

The CHAIRMAN (Translation): The hon. member for Laval-Two Mountains will please abide by the standing orders. A discussion of maple sugar and syrup positively does not come under the item under consideration at the present time.

Mr. CHEVRIER (Translation): Nor does rationing.

Mr. LACOMBE (Translation): Again, Mr. Chairman, I wish to draw your attention to the fact that we are discussing the estimates of the Minister of Munitions and Supply. Do not maple sugar and syrup. . .

Some hon. MEMBERS (Translation): Order! Order!

The CHAIRMAN (Translation): I have given my ruling and I would ask the hon. member for Laval-Two Mountains to be kind enough to accept it and resume his seat. I know he realizes that he is out of order.

Mr. LACOMBE (Translation): I accept your ruling, Mr. Chairman, but I shall speak on this subject at some future date.

Mr. DIEFENBAKER: First I wish to refer to the sale of surpluses of equipment from barracks, camps and so on, and surpluses of raw materials, by the War Assets Corporation. This is a very important matter and one upon which the people of Canada have, I believe, the right to an assurance from the government that in the operation of the War Assets Corporation the sales that take place shall be open to inspection by the public as a whole. To date we have had no assurance in this regard. Tens if not hundreds of millions of dollars of surplus goods, war goods and the like, will be available for sale. There will be sales from time to time as surpluses accumulate and these will continue until the end of the war and after.

A committee has been set up in order to ascertain the materials, and a corporation has been set up in order to dispose of those materials. In order to reassure all the people of the country that there will be equality of opportunity and of consideration, the transactions should be conducted in the open. In that, I have support in the stand that is being taken in the United States.

The minister is aware of the steps that are being taken there. Two outstanding members were appointed by the administration to look into the matter and make recommendations, and they did so. I could deal with these particular points individually, but instead of doing so I am going to quote from the records of the War and Post-war Adjustment Policy report to the United States congress in order to ascertain whether or not similar principles are to be applied in Canada.

The basic principles accepted there, and applicable to Canada by reason of the similarity of conditions under which we live and the fact that we are joined together in common defence, are these. First, sell as much as can be early, without unduly disrupting normal trade; and second, no sales and no rentals to speculators, and none to promoters.

If this corporation is to operate fairly and squarely, that principle above all must be applied; otherwise we shall find ourselves in the position where speculators will take advantage of the fact that the government is in the market for the disposal of surplus goods, and the speculator rather than the government will reap the benefit.

Sell as in a gold-fish bowl, with records always open to public inspection. That to me is a most important recommendation. It is, I believe, one on which the minister should give his assurance at this time, the assurance in other words that what is to be done shall not be done behind closed doors or under the provisions of orders in council. Up to the present time, in the production of these goods and in the investigation into their costs, the people of Canada have not been able to secure full information. In the investigation of these matters in the war expenditures committee the people have been denied information. The same excuses for secrecy do not apply to the sales of such surpluses.

Next:

> As far as practicable, use the same regular channels of trade that private business would in disposing of the particular properties.
>
> No government operation of surplus war plants in competition with private industry.

I know there has been an exception made to that in Canada. There will be after the war in the rubber corporation at Sarnia, Ontario.

Mr. HOWE: With what does that compete?

Mr. DIEFENBAKER: It is a government operation.

Mr. HOWE: With what private industry does it compete?

Mr. DIEFENBAKER: It does not compete in the matter of manufacture, true enough, but it is actually the first move along the road to socialization.

Mr. HOWE: It is a wholly non-competitive industry.

Mr. DIEFENBAKER: That is true.

Mr. GRAYDON: Its product will compete.

Mr. HOWE: With what?

Mr. GRAYDON: Other manufacturers.

Mr. HOWE: There is no manufacturer of rubber in this country.

Mr. GRAYDON: The production of rubber that goes on the market.

Mr. HOWE: They do not manufacture rubber.

Mr. DIEFENBAKER: This is one industry that we know about to-day that is to be operated by the government after the war.

Its course will be that of public ownership, something that the government has invariably stood opposed to. I should like to ask the minister whether it is the intention, after the war is over, to operate surplus war plants in Canada in opposition to private business. The minister says that so far as the Polymer Corporation is concerned, for the time being it is not operating in opposition to private business in the manufacture of rubber. That is true; but will he give the assurance that after the war it is not the intention of the government to operate any of the surplus industries in opposition to private industry?

Mr. HOWE: I might answer that now. This government has, as far as I know since I have been a member of it, never entered into the manufacture of anything competitive with private industry.

Mr. DIEFENBAKER: That is not the question. Is it the intention in so far as surplus war plants are concerned, or any of them, to operate them by the state in competition with private industry?

Mr. HOWE: The government's policy will be made known in due course.

Mr. DIEFENBAKER: That is exactly the point. The minister was very quick to answer that the government had not done it before the war, but he is not so fast on the trigger in so far as the post-war plans of the government are concerned in this connection.

Mr. HOWE: According to my hon. friend his party is most hopeful of operating the government immediately after the war. Did he ever announce a plan for that purpose? If he has it has been to the Kiwanis club or some stock-breeders' association, not to the house.

Mr. DIEFENBAKER: Speaking about stock-breeders' associations and the like, I think the minister had better get together with other ministers over there. In November or December of last year the minister announced that in the post-war period there was one matter that we must all be sure about, namely that we must take a definite stand that there shall be no unnecessary public works in order to guard against unemployment. On the same day that the minister was making his speech in Toronto the Minister of Pensions and National Health said that one thing we must do after the war in order to ensure that there will not be unemployment is to engage in a very wide public works programme. The ministers did not agree during the same day that they were enunciating a post-war programme. I would point out that I have not yet received an answer to the question as to whether or not it is the intention of this government to operate any industries after the war in opposition to private enterprise.

With regard to the disposal of surplus the United States have adopted as a recommended principle that there shall be:

> No monopoly; equal access to surpluses for all businesses; preference to local ownership, but no subsidizing of one part of the country against another.

That, too, is an important matter, and one upon which the committee and the country have the right to expect the assurance of the minister. We who come from the prairie provinces and the maritimes realize that during the period of the war no real and fair opportunity has been given to the building up of industries that could have been built up in those sections. In the disposal of those surpluses are those parts of Canada that were neglected during the war to receive an equality of opportunity in the securing of the surpluses that are disposed of between now and the end of the war and following the end of the war?

May I go on from there with something else upon which we require information in regard to surpluses? We should like a statement from the minister now or at some time during this debate as to the value of the tremendous amounts of supplies that lie piled up along the right of way between Ontario and the maritimes, much of which has been there for a very long period of time.

Mr. HOWE: No.

Mr. DIEFENBAKER: That is what we want information on. How many million dollars worth of stuff—

Mr. HOWE: Why does the hon. member not ask a question instead of making statements that are not correct?

Mr. DIEFENBAKER: The statements I make are correct, and I am asking for information as to particulars of the amount. I ask the minister how many million dollars worth of stuff has been on the right of way for a period of three years? How many million dollars worth of stuff has been there for two years? What is being done in connection with the salvaging of this stuff piled along the right of way?

Mr. HOWE: I can answer that question now. No millions have been there for three years and no millions have been there for two years.

Mr. DIEFENBAKER: Has the minister the figures as to the value of the stuff that has been on the right of way for three years?

Mr. HOWE: Yes. There has been none.

Mr. DIEFENBAKER: The minister makes that statement; therefore he must have the particulars. I am asking the minister to produce the particulars showing the value of the stuff on the right of way that has fallen into poor condition and is unusable because it has been there for such a long time. The minister says that there is none.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. DIEFENBAKER: Mr. Chairman, I had just about concluded the question I desired to ask the minister. What I have asked in connection with the War Assets Corporation might be epitomized in one question, namely: is the principle of the goldfish bowl to be applied as far as the disposal of surpluses is concerned? The matter is of very great interest in the business world in general. In the disposal of office equipment, kitchen equipment, stoves and the like, for instance, when the various air schools are closed up, will the general public have an opportunity to purchase needed supplies? Will the sales be made openly, so that all may have an opportunity to replenish their own requirements, which have been reduced to a minimum during the period of war?

I mentioned the situation with regard to the supplies that were piled up along the right of way of the various railways of this country. A portion of those supplies has been moved during the past year. Has that portion been moved overseas, or has it been transferred elsewhere for storage or disposal?

In that connection I should like to ask a question in reference to certain types of armoured equipment and the like. Have many of these vehicles been found no longer necessary and not required for overseas use by reason of changed war conditions and, if so, what disposition has been made of them? In particular, were any of the four-wheel drive vehicles known as "quads" not required overseas, or found unfit for service; if so, how many were involved and what disposition has been made of them. Also in reference to the production of Heath-Robinson lorries, how many of those were produced; were they found unfit for service and, if so, what was done with them after that was ascertained? I ask for information for the purpose of finding out what disposition is being made of these armaments or supplies which are not to be shipped overseas by reason of changed conditions.

I should like to request some information in regard to the demobilization of war industry. I think the minister should now be in a position to give the country a picture of what is in mind in that regard. To-day he pointed out the changes that have taken place, the manner in which the production of certain munitions and implements of war has been reduced, and so on. When that production finally ceases, naturally some factories will be closed down. What are the plans for the use of those factories in the transition period between war and peace? What are the plans for the sale or disposal of those plants? For instance, during the past three and a half to four years a phenomenal record has been made under the empire air training scheme. Some of those schools are now being closed. What does the government propose to do with the buildings located at those schools? Does it intend to turn them over to the municipalities to be used as hospitals and similar institutions? As yet no plan has been placed before this house, and I should like to have from the minister something of the general design or pattern the government has in mind, not the details but the general scheme for demobilization of war industry, both during the period of war as changing conditions make that necessary and after the war is over.

There is one other matter, and I think the minister would be the one through whom that information should be made available. What is the plan of the government in regard to the demobilization of economic controls, under the planned economy which has been in effect during the war? To what extent is it intended gradually to remove these uneconomic controls, or at least a portion of them? In the United States, in the United Kingdom, plans are being made and announced; parliament is being taken into the confidence of the ministry. So far as we in this house are concerned, however, plans of that kind have not been placed before us. I mentioned economic controls; I would add the departure from parliamentary government. It is time that we knew how long it is intended to continue the present trend. Only yesterday I received an answer to a question which indicates how parliament is being by-passed by those who to-day in the main control the economy of this country. I refer to the matter of orders in council. It is an amazing record that from the beginning of the war until March 15, 1944, there should be 42,398 orders in council passed, as well as 23,287 minutes of treasury board. I do not object to orders in council between

sessions, in the interests of efficiency, effectiveness and immediate action. This session commenced on January 27 and from that date to March 15 a total of 1,186 orders in council and 850 minutes of treasury board were passed. While parliament has sat, parliament has not legislated. That function has been performed outside of this chamber.

These are matters removed from partisan consideration although, when they are brought before parliament, too often the attitude is taken that they are partisan matters. I ask the minister to take parliament and the country into his confidence. We have had in the course of the last few weeks a general picture of the demobilization of man-power after the war. We should now have revealed to us the story of the plans for the demobilization of war industry. Parliament and the people are entitled to a better answer than the one I got from the minister this afternoon when I asked him whether the government intended to operate industry in opposition to private enterprise after the war; the answer being that the government policy would be revealed in due course. We get answers in this parliament such as, "Government policy will be revealed in due course," and, "It is not in the public interest," and that sort of thing. We are entitled to the fullest information and we should not be given answers of that kind. The other day, when a question was asked as to what salaries are paid to officials of the Canadian Broadcasting Corporation, the answer was given that it would not be in the public interest to give this information because it would reveal to private industry details with regard to government. Answers like that are not good enough.

Unless plans are made now, unless we know the scheme, there will be chaos when peace comes. We are not asking the minister to give the picture in detail; all we want is an outline of what the government intends to act on. I have not overlooked the fact that there does not seem to be agreement as to post-war plans, even among the ministry. One said that he believed in the principle of public works during the transition period and the other stated in effect that the principle of public works is something that should be frowned upon. There seems to be disagreement in the government, disagreement among the ministers as to post-war planning. Let us have the picture, let us know what the post-war plans are for the demobilization of industry to which $800,000,000 have been advanced in the way of capital assistance for unless plans are made now there will be complete chaos in carrying out this demobilization.

[Mr. Diefenbaker.]

Mr. McIVOR: Mr. Chairman, I am not going to make a speech but I wish to state a couple of facts. I always enjoy listening to the hon. member (Mr. Diefenbaker) who has just taken his seat, but I do not look at things just in the way he does. He has stated that over 1,100 orders in council have been passed, but we must not forget that if each one of those orders had been brought before this house and all the members of the Social Credit and the Cooperative Commonwealth Federation and a good percentage of the Conservative members had spoken, we would not be out of here in twelve months. Those orders in council were authorized by parliament and they were absolutely necessary. I know that special information has been withheld, but when the general public are not asking for it I do not just see why we should give special information that may not be good for them.

When I was a young lad I read about the pioneers who settled in Ontario, in Manitoba and throughout the west. I do not think there has been a truer pioneer in Canada, either in the past or present, than the Minister of Munitions and Supply (Mr. Howe). It would not be hard to prove that statement. All we have to do is to consider what he has done, the new things he has introduced, sometimes against opposition. Tanks were never made in Canada before. Just consider the programme that was outlined on Friday last in connection with Trans-Canada Air Lines. He is one of the greatest pioneers that have ever occupied a seat in this house or in any provincial house in Canada.

As I listened to the minister this afternoon my imagination began to work and I could see hundreds of thousands of workers doing the things that have been planned by the minister to be done. The minister held out for collective bargaining long before that was considered by the general public; also holidays with pay. He was a real pioneer. Another things that stands out is the fact that there has not been one dollar of graft in connection with the war effort. If any one says that that is not a real achievement when one is dealing with human nature of all kinds, then he had better go back and think again. Let us look at what happened. I know we have a committee on war expenditures; I know what their duties are; but when any one has been suspected of padding a payroll or carrying on any funny work the Minister of Munitions and Supply has immediately called in the Department of Justice; the mounted police investigate and a court action may follow. The minister does not get any-

thing out of these things except criticism. That is very poor politics, but is doughty statesmanship on his part and he is becoming more popular than ever.

We at the head of the lakes think there are few men like the Minister of Munitions and Supply. This week I received a number of letters asking why I did not rise in my place and state that the minister is above reproach. He is above reproach. Whether you belong to our group or to any other I am sure you will agree with me when I express the hope that he may be long spared to us. He learned to use the square and compass when he was a boy, and he is still using them. No matter what happens, under his control there will be neither chaos nor tumult.

Mr. BERTRAND (Terrebonne): The war has caused an expansion in our national industry which might be termed magical. In this conflict which has lasted for almost five years Canada has become the arsenal of the united nations. In order to attain this end the Department of Munitions and Supply has had, since its inception in September, 1939, to organize a vast system of production, create the necessary factories and spend many millions of dollars for these purposes.

The county of Terrebonne has had the privilege of cooperating very closely with this war production. The towns of Terrebonne, Ste. Jerome and St. Therese have been almost exclusively engaged in war production and they have cooperated in a sustained and loyal effort. The Bouchard plants, located at Ste. Therese, were built for the purpose of filling shells and other essential purposes, and they are rated among the most important war industries, not only in Canada but in the whole empire. The municipal councils, the public bodies and the chamber of commerce of Ste. Therese, together with the municipal councils of Terrebonne and of Ste. Anne des Plaines, gave the Allied War Supplies Corporation in the foundation of Bouchard and its branches a support which could be used as a model for the rest of the country. The working class of my county—one of the most industrious of the country—even if it insisted upon its right of belonging to unions in order to protect its privileges, has nevertheless always shown a will to cooperate which denotes its social sense and its progressive spirit. There were no strikes in my county and in its factories. I wish to point that out because it honours my constituents.

Nobody was more closely related than myself to the creation and development of the Bouchard plants. I gave my best cooperation because I was conscious that in so doing I was, as a member, serving the interests of my country. I sometimes objected to the wastefulness of Defence Industries Limited, because I knew I was right. The companies entrusted with the war production are often seriously to blame; they believe they are authorized to spend freely and without general planning; they form, in the midst of their directorates, family compacts which are rejected and hated by the working classes; they are often unfair when they choose their labourers. Quite often it happens that simply because a skilled worker does not speak English well enough, he is replaced by another who speaks English only. This is very inconsistent, since most of the workers in the Quebec war factories are French Canadians. It also happens too often that employees are fired, forsooth, because they are suddenly found inefficient after two or three years' service, and they are replaced by people from Nobel or Winnipeg, who speak only one language and whose evident inefficiency is, in many cases, a cause for laughter and dissatisfaction among other employees.

I wish in particular to protest, as member for Terrebonne, against the unfairness of Defence Industries Limited, the company in charge of the plants known as Bouchard, and located at Ste. Therese, in my constituency.

My remarks on this will be short. I consider this statement important, both for the information of this house and for the protection of the working classes of my province.

During the last three or four weeks Defence Industries Limited, at Bouchard, hired about fifty employees from its Nobel plant, in Ontario, to fill, not labourers' positions, but a number of controlling posts which had been occupied with efficiency for two or three years by French- and English-speaking Canadians residing in my county, in the Montreal district, and even throughout the province of Quebec. These employees were dismissed or were compelled to accept secondary jobs. Who hired the employees at Nobel? Who ordered their transfer?

I have reason to believe that this transfer was effected without the knowledge of the Department of Munitions and Supply, even without the knowledge of the Department of Labour, which controls man-power. I am convinced, however, that Defence Industries Limited took advantage of the authorization which might be granted by the laws, or even granted to itself the right of transferring from one of its plants to another a certain group of employees, thus avoiding going through local or regional offices of the selective service, and thus attaining more easily its purposes of partisanship. If this authorization is provided

for by the selective service regulations, it should be withdrawn immediately, not only so far as Defence Industries Limited is concerned, but also from any company operating chain plants. Otherwise, these companies assume the full control of man-power and are free to commit gross unfairness. If such an authorization is not provided for, and if Defence Industries Limited assumed a right contrary to the law, then selective service should hold it responsible and impose upon the guilty party or parties the penalties provided for in the regulations. Since last Thursday, government representatives have been conducting a local investigation into these dismissals. I must congratulate the government upon this action. But I ask it not to circumscribe this investigation to the doings of the last few weeks, but to investigate also certain group transfers effected from Winnipeg to Bouchard during 1943.

For the information of this committee, I wish to state that Defence Industries Limited always laughed at selective service, and the latter's local office at Ste. Therese had plenty of trouble with this company. It is time that it should be told where to stop.

I am setting forth, Mr. Chairman, a question of justice and fair play—justice for the employees who were dismissed or subjected to humiliations after two or three years' services, and who were suddenly found inefficient; fair play for my province which has contributed as much as other provinces to the war effort of my country and which does not deserve such haughty treatment from companies which are spending its money as well as money from other provinces. As member for Terrebonne, I cannot leave my own people victims of the unfairness of Defence Industries Limited. I am confident that the government will take the necessary steps and measures to redress this injustice and to prevent such a state of affairs from happening elsewhere. As far as I am concerned, I do not hesitate to state that I am willing to put everything at stake, if necessary, to teach Defence Industries Limited respect, in Quebec, for the most elementary laws of politeness, decency and fair play.

However, I must congratulate the inspection board, which has used fair play toward the employees, and I congratulate also Allied War Supplies. The wonderful way in which Mr. Harold Crabtree managed this crown company adds to his already established reputation as a sound business man and an expert manager. Knowing the Quebec mentality, he chose an excellent French technical personnel; and although it was limited in number, it gave satisfactory deals to the parties concerned, especially in expropriation cases. I pay tribute to these officers for their courtesy, their politeness, and their frank and honest ways. The creation of Bouchard and its branches necessitated more than 250 cases of expropriation. This is an indication of all the work which had to be done, and which was done successfully.

I should also like to draw the attention of the minister to the cooperation given by certain municipalities, and to point out some of their legitimate claims. The municipalities within whose limits war factories were built had to face many financial and administrative problems. The increase in population was one of them. One might say that such an increase created in these municipalities an additional power of buying, that these war factories brought prosperity upon the municipalities in which they were located and indirectly upon the neighbouring districts. Nobody will deny this so far as the working and commercial classes are concerned. The municipality directly concerned, however, was compelled to make immediate disbursements which were quite considerable, and which sometimes increased to a great extent its normal expenditures, in order to give water and sewer services, to provide adequate fire and police protection, and all the other general services. Furthermore, the municipality directly concerned had to build new streets and spend important amounts toward the upkeep of winter roads within its limits—and this in order to provide transportation facilities for neighbouring municipalities. I quite understand the general policy of the government in not giving grants to municipalities; but in certain cases it should depart from this policy, or at least take into consideration, when the war is over, the cooperation which it received.

In certain cases, the department shared the expenses incurred in maintaining winter roads in districts where war plants are located. In my opinion, the federal government should pay the total costs of clearing the snow off roads leading to crown factories, or share those costs with the provinces. It is only fair that municipalities should be exempted from financial charges in which they are only partly interested. Winter roads permit an easy transportation to war plants, not only of workers from the municipality concerned or from adjacent municipalities, but also of workers from larger centres which are not assessed for this winter upkeep, altogether paid for by the municipalities. It is only

logical that winter maintenance should be paid entirely by the federal government to the provincial government, or entered as operation costs by the companies who operate these war plants.

The government should pay special attention to districts where wartime housing erected residential centres. The government does not pay municipal taxes, and I believe this is an error; it pays only service taxes, and even then, in order to accommodate the government, the municipalities had to suffer considerable expenditures.

It would be fitting, I believe, that those municipalities which have granted their cooperation, should receive, after the war, special attention from the government. The transition period may be disastrous for them, since, part of the additional population living within their limits, these municipalities will be compelled, if civil production is slow in getting going, to undergo an outlay of capital in order to provide work. In my opinion, these towns or municipalities should be among the first invited by the government to submit, through their municipal councils or other public bodies, suggestions concerning work projects to be effected in the immediate post-war period. As far as my constituency is concerned, various associations are busy on projects which will be submitted at the proper time and place.

It is the intention of the government to do away, after the war, with war factories and their equipment, and to transform these war plants into peace plants. This is all very well. The bill concerning an industrial development bank, which recently received its second reading in the commons, is, in my opinion, an excellent measure. It will indeed take some time before the post-war readjustment can be effected; this is why I believe that the government, when it created the War Assets Corporation, made a noble attempt at solving the post-war problems. This corporation will have jurisdiction over twenty-seven crown industries, including Bouchard. If I am not mistaken, it was created in order to avoid the flooding of the Canadian market with all the available war material, to prevent unemployment which might result from a sudden disposal of this equipment, and also to help transforming war plants into peace factories. How this company will deal with war plants like Bouchard, at what price and for what terms it will sell them, I do not know. When the war is over, it will not be the best policy to haggle over a matter of a few dollars; we shall have to balance our national economy as quickly as possible. Sound industries, with a guarantee of success, will undoubtedly be interested in converting these war plants for civilian industrial purposes. Improvements and capital expenditures will be necessary; but the starting point will be indeed quite interesting. Let these factories be disposed of under the best terms. It is important to provide for work. The people who have undergone sacrifices in order to finance a really gigantic war effort will want work, and they will be right in demanding it. These war plants, especially the larger ones, would be very well adapted for the purposes of railway companies; in the case of the Bouchard plant, where a large network of water and sewer services, of roads and railways were created, a great number of smaller industries could be accommodated and thus form a very important manufacturing centre. At any rate, too many millions were spent on these factories, and they cannot be closed down or abandoned.

The dwellings erected by wartime housing were built only for war needs; unless I am mistaken, I do not think the government has any definite plans for utilizing these houses after the war. In my opinion, these dwellings, together with the underground works, should be handed back to the municipalities, who could use them according to their needs, provided that they would not enter into unfair competition with their ratepayers. They could also be utilized for tourist or other purposes. Whatever be the plans of the government, the municipalities are entitled to be consulted by the government concerning these houses, first as a simple measure of municipal protection for themselves, and second, because of the financial sacrifices to which they were submitted in order to accommodate the government.

These were the few remarks I intended to make on the estimates of the Department of Munitions and Supply, which amount, this year, to $183,000,000.

There is no doubt that the Department of Munitions and Supply, whose powers are tremendous, has done a wonderful job. I wish to congratulate the minister upon having set up such a powerful organization in such a short time. He deserves all the credit. But the good reputation of his department should not be tampered with on account of the unfairness of companies interested in war production. These companies expend the Canadian people's money; the least they can do is to give the Canadian population the fair play to which they are entitled.

Mr. MacNICOL: I always like to listen to the hon. member for Fort William (Mr. McIvor), lauding the Minister of Munitions and Supply (Mr. Howe). On occasions I have heard the hon. member place the minister in a rank seemingly higher than the hosts of heaven, so that I have had to tell him, "Be careful, Dan, you are almost sacrilegious." I am sure the minister often says to himself, "May the Lord save me from my friends."

I am going to try to give him this evening a picture of something to which he referred very briefly this afternoon—the oil sand area of Fort McMurray, and let me, in turn, say, "O Lord, save the minister from his friends in connection with what is going on up at Fort McMurray."

I have been in contact for quite some time with the situation at Fort McMurray. I did not go up last summer, for I did not want to be there when the initial programme was being entered into, but from what I have heard I am satisfied that it will be necessary to go next summer to see just how little has been done.

A few days ago the Edmonton *Journal* quoted a speech made in the Alberta legislature on March 14 by the Hon. Mr. Fallow, who is undoubtedly a responsible, conscientious gentleman—at least I believe him to be—and in the course of his remarks he made some very strong statements. I am not sure how much the Minister of Munitions and Supply has to do with what is going on at Fort McMurray. I hope it is little—

Mr. HOWE: I may settle that now. I have nothing to do with it. The vote is in the Department of Mines and Resources. However, I like to hear my hon. friend explain these matters and I hope he will go ahead.

Mr. MacNICOL: I was going to say I hope the minister had nothing to do with it because I think too much of him and I know his ability is too great to permit any such situation as is going on at Fort McMurray to-day. Certainly the progress has not lived up to any of his expectations when he introduced the agreement approximately a year ago.

What did the hon. Mr. Fallow say? I will quote a few of his statements—and, I repeat, they are very strong statements coming from a minister of the crown:

> Mr. Fallow charged that the northern undertaking has been a "colossal farce." War requirements for petroleum are so urgent that the dominion government has spent $1,700,000 in the past eighteen months to investigate the possibilities of extracting oil from the sand, and so far as the actual investigation is concerned, all they have to show for it is a hole in the ground.

I know that hole in the ground was there before the contractors went north.

> Out of the north came an endless procession of weird, incredulous stories of criminal incompetence and scandalous waste of public funds, and charges of sabotage were heard on every hand.

That is in keeping with correspondence I have had from Fort McMurray, from people who would have no reason to state anything but the facts. Hon. Mr. Fallow goes on:

> The stories I got from men who were working on the project made me wonder if the dominion government had borrowed some of the inmates of an insane asylum to handle the work.

And further:

> No construction work was done that was not changed at least once, said the minister. Changes three to five times were not uncommon. It will perhaps be conservative to say that 25 per cent of the workmen were continuously engaged in tearing down some of what the other 75 per cent put up.

Further:

> In summing up, Mr. Speaker, may I say that the pathetic flounderings of this gang of pussy-footing amateurs is beyond description.

That is very strong language. It is not my language, but it largely bears out what has been sent to me from Fort McMurray.

Mr. HOWE: Perhaps we had better straighten that out now.

Mr. MacNICOL: Will the minister allow me to continue my argument?

Mr. HOWE: The hon. gentleman made a serious allegation.

Mr. MacNICOL: I made no allegation; I quoted what a responsible minister said.

Mr. HOWE: The hon. gentleman quoted it and therefore evidently endorsed it. It is strong language. He talks about amateurs; I want to give the pedigree of the people on both sides, including Mr. Fallow.

Mr. MacNICOL: Will the minister take his seat and let me continue.

Mr. HOWE: The hon. member is slandering my associates.

Mr. MacNICOL: The minister can say anything he likes afterwards. I want to tell the minister he is altogether too combatant. He is too fond of arguing with anyone who says anything about his department. A few moments ago he said it was not his business but the business of the mines and resources department. Why then does he want to rise and interrupt my remarks?

May I continue where I left off a moment ago when I said that similar stories had come

to me. In January last I wrote to a friend in Edmonton to go to Fort McMurray and take photographs panoramic and I have in my hand the panoramic pictures he sent to me. They are dated January 25, 1944. I also have in my hand a photograph I took in 1942, for I have been to Fort McMurray on three different occasions. I do not talk about anything I do not see, and I am one of the few members who have been there. Last fall when certain gentlemen appeared before the reconstruction committee to testify in connection with this matter of the tar sands, I did not know at the time that two of them had never been there, as I am informed, or I believe I would have asked that they retire. I am not sure that the third one was there. I am told that he was not, but he informed me that he was and so I will take his word. There is too much long-distance talk with regard to a plant that is a long way off about which some who discuss it actually know little. I have here a picture of the plant which I took myself. It is a picture of the 1942 Abasand plant. That company should never have been displaced. That is my judgment and I will stack my judgment against anyone else's. I was in big business for many years, associated with engineers for a considerable time, and I will stack my business experience against anyone else's. Twenty-five years' experience of big business is not picked up in a few minutes.

This picture shows the oil sand mine. It shows the second or 1942 plant and I saw the plant operating, so that I know what it did, notwithstanding what anyone else may say. The 1944 picture does not show the big building to which the sand was taken out of the mine for separation. That building has been pulled down. The 1944 panoramic view shows that the 1942 separation building has been pulled down and it discloses the end of the first pulper. There were two. I am told on reliable authority—the officials of the Department of Mines and Resources can check up on this information—that that new building was started on a grade fifteen feet lower than it is to be. The foundations have been raised fifteen feet, the reason given being the fear that the Horse river would overflow and interfere with the pulping in the new building. I am told, what the Hon. Mr. Fallow said, that there have been numerous changes in construction. Every time a new manager comes, there is a change, and the minister knows there have been several of them. He shakes his head; then he does not know.

Mr. HOWE: That is right; I have nothing to do with it.

Mr. MacNICOL: I am glad to hear that. I think too much of the minister to have him charged with such a mess as is reported there. It was about last May, I believe, that the first operators, or those who were directed to produce oil or asphalt at Fort McMurray, went there. Well, here is a picture taken in January, 1944. It shows the separator building is pulled down and some of the tanks have been moved across the river. The separating plant is down, not a thing done to the refinery. Nothing taken out of the pit in a year's time. What was done? A line of water-pipe is said to have been run all the way from that supposed townsite to the Athabaska river. It makes me laugh. It is being called a townsite. Apparently those who are in there expect to be able to build a town without proving anything as the minister intended should be done. Without anything being proved, a water-line has been run all the way to the Athabaska river. I am told that pipe was put into a trench eight feet deep and then taken out and laid on top of the ground. When the frost came along the pipe was put back in the trench again and covered with dirt. What a comedy! I just cannot find the right language to describe it. I am sure the minister would not have tolerated it for two seconds when he was in business building big elevators all over the country.

I have a number of little pictures here which show some fifteen or twenty bunkhouses or small houses being started. According to my information, of that number three perhaps are fit for occupation. No. 1 plumbing fixtures and a No. 1 heating plant have been put in the bunkhouse I slept in. When I was there, there was neither steam heat nor plumbing in it. I should have thought that the man on that job would have first followed out what the minister had planned. I am going to give the minister credit for this. The first thing he proposed to do was to make all the investigation possible and for that purpose $300,000 were appropriated. The first thing that should have been done was to prove something to the satisfaction of whoever was in charge there. That was not done. Money has, in my judgment, been squandered, wasted. That is borne out by what Mr. Fallow said. They are constructing buildings and there is nothing for anyone to do, because the mill is not up and will not be up soon. That is the last information I have and it is in accordance with the speech delivered by Mr. Fallow. The mill is not expected to be in operation before next fall.

The minister will remember that a year ago, in reading the agreement and giving the

talk on the production of the oil sands, he said that he expected that by the fall of 1943 the plant into which this country had poured a barrel of money would be in operation and making asphalt for the Alaska highway. Was that not right? Not a single, solitary thing has been made, not a drop of oil, not a pound of asphalt, because there is nothing in which to make it. I wish to protest as strongly as I can, as a Canadian taxpayer, against such lack of business as is going on at Fort McMurray. I wish to protest as strongly as I can against the waste, what appears to be the utter waste of public money. This is not Mr. Fallow saying that. I am saying it, and I am saying it on the basis of these pictures that I am looking at, which were taken on January 25, 1944, and if any of the press would like to have them I should like them to take them and publish them. For the expenditure of a barrel of money not a worthwhile thing has been done toward producing oil or asphalt. A few houses have been erected and a ditch or two dug. Some plumbing has been installed and perhaps a roadway patched up, but not a thing done for which the money was voted, namely, the production of oil and asphalt.

I feel keenly about this; I really do, because, rightly or wrongly, perhaps wrongly, I felt that in the speech I made in 1941, after having made a trip up to Fort McMurray and after having investigated the plant carefully, after having seen what they were doing there—and in my judgment they were doing a good job considering that they had every conceivable piece of pioneering work to do; I know the minister from Edmonton will bear me out that they had to discover everything—I had given a lead. It is quite true, as has been said before, that they had difficulties in discovering a method of taking the sand out of the pit. It was all pioneer work. There was nobody in America who knew how to do it better. But the Abasand company did overcome that, at the report submitted by the Consolidated Mining and Smelting Company stated. I have the report here and I shall read what they say about it. May I first deal with separation? This is the report of the Consolidated Mining and Smelting company. They say:

> We are of the opinion that the process of Abasand Oils Limited for separating the bitumen from the sands is a practical one which could be used in a large scale plant and which would yield reasonable results. Recoveries in the separation plant were consistently over ninety per cent.

They afterwards stated that the Chicago refining company, to which the Consolidated Mining and Smelting company engineers had sent quite a number of barrels, I believe, eighty barrels, reported that they got as high as ninety-seven per cent of oil. The Consolidated Mining and Smelting company were reliable. The minister sent them up there because they were reliable engineers. Their report to the minister stated that the refining was satisfactory. Then, Mr. Chairman, why in the name of heaven did the men not carry on? There have been so many different managers up there that I imagine each one will blame it on the other; the men who are there now I believe are called the General Engineering Company or some other name; I am not passing any comment on them. Apparently they are starting all over again. What did the others do who went ahead of them with it? I shall go back to where I started. The minister tells us he had nothing to do with it. I am sorry he has not had anything to do with it. I am convinced that if he had anything to do with it, it would not be in the mess it is in to-day. I make that kind statement to the minister because he has done things.

Mr. HOWE: I am beginning to think the hon. member is the man who got us into all this trouble.

Mr. MacNICOL: That is why I am interested in it now. I like to go and see things. I like to devote my time and effort and the best I have toward developing this country. That is the joy I have out of life, to serve my country. Just as soon as I cannot render some service in this House of Commons to my native country I am going to retire from the House of Commons. There is nothing in public life for me except service. What I do I do for the country. I try to do something for the country, and I repeat, I am glad that the minister is not responsible for the mess up there. I am sorry he did not have something to do with the matter. I am sure if he had had something to do with it, it would not be in the mess it is to-day.

The Consolidated Mining and Smelting company said that outside of the separation being satisfactory, the Abasand company had overcome the difficulties of mining. I know what the difficulties are; I was there. I was there several days on different occasions. I saw their planers operate. It was a good idea, but it did not work because when the planers come up against sand like that the sand wears the planers out. The Abasand people did not know that when they started to use planers instead of digging or picking the sand out the planers proved unsatisfactory. The Abasand

people did not think sand would wear the planers out, but they had to abandon them and then they went into blasting, which they found satisfactory. I saw that myself. I saw them blast many, many tons at a time. I saw how the sand disintegrated. I saw them use steam shovels and take it to the mill.

What was the trouble? What was the difficulty that the Abasand company had not overcome? They had built a separation plant big enough to separate four hundred or more tons of sand a day. My 1942 picture shows the mill there and the refinery at the back of the mill. I have the picture of them here. The refinery was not big enough to take care of much more than half what the mill separated. If the Minister of Mines and Resources could have taken the time in 1943 to go up there before anything was done and could have talked to the Abasand men who were there and who had overcome many of the difficulties, and who were doing a good job, I do not believe he would have sent anybody up there but the people who were there. I hold no brief for them. They are nothing to me. I am a stranger to them, but they were doing a good job. They had a new mill which they operated in 1942 when I was there. They turned out that summer from the 19th day of May to the 30th day of September, 17,000 barrels of oil. They could have turned out much more if the refinery plant had been of the same capacity as the separation plant. As I say, if the minister had had time to have gone there himself, I am satisfied that he would have done just as good a job there as he has done elsewhere, and we would now be producing oil up there in a big way, as it should be produced. Last fall when one of the engineers of the department, I believe it was Doctor Haanel, was before the committee, he told us of the necessity of producing oil; he explained that since 1930 the oil wells being tapped in the United States or blown in or coming into production had not been sufficient to keep up with the demand for oil, and how necessary it was that Canada should produce oil. Then at page 923 of the proceedings of the committee for November 30, 1943, he went on to make this significant and more or less alarming statement as to what may be the ultimate outcome in connection with these oil sands:

> I may say in passing there are various stories written about the anxiety which the United States is showing regarding their oil supplies. She lays great stress on the bituminous sands of Alberta but says that is a problem for us to take care of.

And so it is a problem for us Canadians. No one knows better than the minister how necessary it is for Canada to produce oil in a big way. I quite agree that under present conditions there may be limitations to what we can do. I was on the spot; I went up and down the river for some fifty or sixty miles. I know also that in their report to the minister the Consolidated Mining and Smelting company stated that by open-cut operations 50,000,000 barrels of oil could be taken out of that sand. That is something; it is much better than nothing. If the minister had just taken hold of this whole business right after he received the report of the Consolidated Mining and Smelting company; if he had undertaken to carry on that business there, perhaps to-day a good part of those 50,000,000 barrels of oil would have been taken out.

Of course for the last thirty years engineers of the Department of Mines and Resources have been telling the world that we have the greatest and richest oil deposit in the world. Everyone knows how many wells you have to drill before you get one that will flow oil; I think only about one out of every ten is of real use. There at Fort McMurray, in the immediate area right around that little plant, according to the evidence submitted in these reports we have approximately 5,000,000 barrels. I believe that is the richest oil sand in the world, capable of producing one barrel of oil for each cubic yard of sand. Of course, as everyone knows, if you could get a well that would flow all the time that would be fine, but how do we get it? I do not want to say anything but the kindest about Turner valley, but look at the number of wells that have been drilled there. It has a production of perhaps 10,000,000 barrels a year, and that is not big oil. When I was last at Fort McMurray I met one of the most celebrated geologists in the world, a high official of the United States government. He said to me, "Mr. MacNicol, if you can get $10,000,000 out of the government at Ottawa I will get $10,000,000 at Washington and we could build a plant here, because this is the greatest deposit that I know of." That man goes all over the world for the United States government. Recently he was away down in South America; I had a letter from him, from Chile. I do not think he would make statements like this haphazardly, and it was a pity that in my speech in 1942 I could not persuade this government to put up $10,000,000 and the government at Washington to put up another $10,000,000, for maybe we would be producing perhaps 20,000 barrels of oil a day from these sands, and that is a good deal of oil to start with.

Now I want to show what the government has done. In this I am not finding fault with the minister; I think he made an honest attempt, but I should like to know how it got out of his hands. I am told now that the matter rests with the Department of Mines and Resources. The minister having started it, I now wish he had kept on with it; I am sure we would have had much better results than we have had so far. What did the minister hope for after he took over the plant? I quote from *Hansard* for April 14, 1943, at page 2153:

We hope to have a small commercial operation, as a by-product of the research this summer, producing bituminous material for the Alaska highway, so that there will be some revenue to offset the expenditure.

We all hoped there would be revenue from it. Now the Alaska highway has been built, and still we are not producing oil there. I do not know how far the minister can interfere with the Department of Mines and Resources, but I am sorry to say that the evidence given by officials of that department last fall before the reconstruction committee shocked me very much. It seemed to me that something was wrong. I always hoped, and so stated, that the mines and resources department would be completely in earnest in connection with the production of oil there, but just read the evidence given to the committee on November 30 last year. I do not like to refer to it; it did not show very much in the way of cooperation in connection with the production of oil at Fort McMurray. Did I understand the minister to say that the company operating the plant is a crown company?

Mr. HOWE: No.

Mr. MacNICOL: It belongs to the government?

Mr. HOWE: No.

Mr. MacNICOL: Then who owns it?

Mr. HOWE: It is owned by the same owners as before. We took over the plant in order to carry on certain explorations. I am not very familiar with the agreement, but I think the ownership remains as it was.

Mr. MacNICOL: I have the agreement here, and I think it is worth quoting:

Whereas the oil controller, Department of Munitions and Supply, has recommended to the government that for the purpose of more effectively prosecuting the war—

That was an extremely fine purpose.

—in which His Majesty is presently engaged, all possible sources of new oil supplies in Canada should be investigated and put into production if such is found feasible;

And whereas the government during the past thirty years has investigated the extent and quality of northern Alberta bituminous (or tar) sand deposits and the most conclusive result to date is that the Horse river reserve, near McMurray, is known to contain substantial deposits which because of their grade, location, and volume have the most immediate potential importance for petroleum production;

And whereas the contractor has carried on investigations since 1930 into machinery and processes for mining the Alberta tar sands, extracting the bitumen, and refining petroleum products therefrom. . . .

Then a little later on it states:

And whereas the oil controller, Department of Munitions and Supply, and the director of mines and geology branch, Department of Mines and Resources, recognizing the necessity of exploring all possibilities of producing petroleum products, greatly needed in this emergency and afterwards, have recommended that a test or pilot plant should be developed for the purpose of proving what can be produced from the Alberta bituminous or tar sands, and that an agreement should be entered into with the contractor under which its plant would be remodelled and enlarged, if necessary, to serve as such test or pilot plant to carry out the investigations referred to in the preceding paragraph, and also to produce needed asphalt and roadoils.

Then the government displaced the Abasand company management and sent in Mr. Smith, Mr. Irwin and others to operate the plant. If that is not a crown company why should the government make the first initial payment of $300,000. It is a crown company because the minister said that the crown was taking it over. Then a controller was appointed, and the evidence I have is that the controller either has not carried out his duties or has been displaced. Much is going on up there that he appears to know nothing about, and yet the agreement states emphatically that the controller must approve all plans and changes. I am sure that if the government accedes to the request of the provincial government of Alberta to appoint a royal commission it will be found that many changes have been made without the consent of the controller. I am told that evidence is available to prove that to be the case.

If this matter does not come under the minister's department, then he cannot answer and I shall have another opportunity to bring it up when the Minister of Mines and Resources comes before us. I want to know exactly what amount of money has been spent to date. According to these figures we have received little for the expenditures made. I am told that to-day there are approximately 150 employees. I am told also that there are three women there. What in the name of heaven are women doing in that part of the country, away in the backwoods? They must

be stenographers, but I do not think the Abasand company would require any women stenographers. When I was there the Abasand company had a staff of about seventy, but it is said there are 150 to-day falling over one another doing little, pulling down a building and sticking it up again somewhere else, going from post to pillar and hither to yon.

According to the minister's statement about a million dollars has been spent. The Minister of Mines and Resources should be able to tell us just how much has been spent. When he does I will venture the Minister of Munitions and Supply will say, "Oh, if I had only had that money, what a job I could have done!" I am sure I could have done a much better job myself. I bet anything I would be producing oil to-day. I would gladly have given my time free of charge and paid my own expenses to do so for the sake of this country, my land.

A few minutes ago the minister said that I am responsible for this. I feel somewhat responsible for having made a speech which seemingly conveyed to the Minister of Munitions and Supplies the idea that I was right. I feel pleased that he is convinced that there are great resources there, but I am sorry that there has been a waste of a million or more dollars, whatever it is, without a drop of oil or one pound of asphalt having been produced. Some one will have to give an account of where that money has gone. We shall have to have the name and address of each individual in that staff of 100 or 150 people. We want to know what they are doing. We want to know where all the lumber has gone that was brought in there, where all the tools are.

I am told that there is no one keeping track of the spades, wrenches and things of that sort being used. That is not the way to run a business. The minister would not run a business in that way, nor would I. When I was in business we had a tool department, and when any tool went out the man in charge kept a record. The man who took it out had to bring it back or pay for it. It is alleged that no one has kept track of the tools here. I know there has been considerable trouble in getting men, and I am told also that there are nearly as many bosses as there are men.

Max Ball in his day was usually on the job in Edmonton and there were three or four members of the executive at Fort McMurray when I was there. I want a full report of what was done with every dollar that went into this plant. I want to know how many times the different employees went back and forth between Edmonton and the plant. Why were people moved up there? What was the cost of moving their furniture up there or bringing it out again. The country is entitled to know what was done with this million or a million and a half dollars. That is a lot of money when everyone is digging down into his pockets for the last dollar he can pinch in order to pay his income tax. That is a lot of money when every workman in our Canadian plants is having an income tax deduction made from his pay envelope. Some one will have to give an account for this apparent waste of money. Some one will have to explain why there is no oil or asphalt to show for this expenditure. I support the request made by the Alberta government that a royal commission be appointed to go into this whole matter in order that we may know where we stand.

Mr. HOWE: I realize that this discussion is quite irregular, because this matter comes under another department, but since my hon. friend has made a statement I should like to say a few words. I think he is mistaken about what we are trying to do at Abasand. We are trying to get information to see whether that deposit can be made into a large source of petroleum which can be sold at commercial prices. If it is a source of petroleum commercially obtainable it will warrant the expenditure of anywhere from $20 million to $50 million. If it is not a commercial source the government will not be warranted in spending any more money on the project. A small source of petroleum is of no value in that locality. The limited market there can be filled by the plant already there.

Mr. MacNICOL: And which has been wiped out.

Mr. HOWE: We could have stopped at any time and said, "No, it is not good enough; we are not warranted in exploring for further possibilities." We have made changes in the process from time to time, but that is the purpose of a plant of that kind, when being operated to get information. I sincerely hope that by June we shall know whether or not we have anything. In the meantime tests are going on in Chicago to see what process must be used to get rid of the high sulphur content. Other tests are being made by means of refinery runs to see what can be made of the product by using different processes.

As an engineer, I would say that all that is necessary before the government should be asked to commit itself for a huge sum of money. The money being spent to-day, largely for exploration work, is not too much, because we have been spending money, as

my hon. friend says, for the last thirty years. We should find out whether we are warranted in spending money to get production, or whether we are not warranted in spending money. If we are not, we should pull out. Within the next several months, I sincerely hope that we shall find out whether we are justified in going on. We are trying to exhaust every possibility. We have spent something less than $900,000 up to this moment.

Mr. MacNICOL: Including the Consolidated?

Mr. HOWE: Including everything. That amount of money is not excessive for explorations of that kind. We can go on spending two or three hundred thousand dollars a year, as we have for many years, and get nowhere, or we can spend a good deal of money and either arrive somewhere, or decide that there is no possibility of arriving anywhere. Therefore I suggest that my hon. friend do not look for immediate results in the way of profits. There are no profits coming out of the exploration that is going on to-day, but we hope to get information on which to base our future course.

The CHAIRMAN: I was undoubtedly remiss in my duty a few moments ago. I did not want to stop the hon. member for Davenport from making his statement on the tar sands, but when the minister stated that the matter did not come within his department I should then have stopped the discussion, because we are always inclined in committee to have discussions that are repetitions. As the hon. member for Davenport said at the end of his remarks, there will be an opportunity for full discussion of this matter when the appropriate item in the estimates is reached, and I must therefore rule the discussion out of order.

Mr. McNEVIN: I hesitate to discuss a matter that is entirely irrelevant to the estimates now under discussion, Mr. Chairman, but in fairness to the gentleman who is now general manager of Abasand Limited, I want to say that he is a prominent Toronto business man whose integrity and ability are not questioned. This gentleman, Mr. George B. Webster, has been in the office of the oil controller for some considerable time doing excellent work, and so far as I am concerned I think he will give a good account of himself not only with Abasand Limited, but in anything else which he undertakes to supervise.

Mr. JOHNSTON (Bow River): Mr. Chairman, in the remarks I have to make on this question I wish to make it absolutely clear that I have nothing to say reflecting on the honesty or integrity of anybody, though it may reflect on their business ability. But the main concern I have in this matter is that we should either get results or know the reason why. I was amazed at the remarks just made by the Minister of Munitions and Supply. I was under the impression that this matter was under his department, but when I got answers to questions I had put on the order paper the other day I noticed that they were brought down by the Minister of Mines and Resources. Nevertheless the Minister of Munitions and Supply has on every occasion dealt with this question of the development of the tar sands, and even to-day in making his presentation he dealt in part with the tar sands and said that he would make a further statement in regard to them in the near future. Last year it was the Minister of Munitions and Supply who was the only one to deal with this question on the government side of the house. I do not recall the Minister of Mines and Resources ever dealing with the tar sands. Certainly he has not done very much in that regard since the war started.

The Minister of Munitions and Supply said a moment ago that the main concern of his department in this matter was to get information. That is commendable. Information is essential.

The CHAIRMAN: Order. I am convinced that a discussion of the tar sands is absolutely out of order after the answer just given by the minister, who stated clearly that there will be ample opportunity to discuss this problem when the estimates of the Department of Mines and Resources are before the committee. I trust that the hon. member will respect the ruling of the Chair.

Mr. JOHNSTON (Bow River): But the question has been under discussion, Mr. Chairman, and while it is up I should like to say a few words upon it. The minister was dealing with the question of getting information in regard to the Athabaska tar sands. That is probably one of the first essentials. But the minister should also understand that the Department of Mines and Resources, through its research branch, has been working on this problem for over thirty years. Last year in the house, when the Minister of Munitions and Supply was speaking on this subject, he said that to his own knowledge they had been working on the tar sands for about thirty years, and the same evidence was given before the reconstruction committee last year.

The CHAIRMAN: Order. I have always received marvellous cooperation from every member of the house. This applies forcibly

to the hon. member for Bow River, and I trust that the hon. member will abide by the ruling I gave a few moments ago. There will be ample opportunity to discuss this question when the estimates of the Department of Mines and Resources are before the committee, when full information can be given much more easily than at the present time.

Mr. HANSELL: Might I discuss the point of order for a moment, Mr. Chairman? We recognize your desire to be fair and to conduct the business of the house in the best interests of all. But the position at this time is that the tar sands have been discussed. The tar sands are of particular interest to members of parliament from Alberta. We appreciate the fact that the hon. member for Davenport is coming to our assistance; but the attitude that the public will take, and I think it is obvious, is that somebody from outside Alberta discussed the tar sands in the House of Commons, while the members from Alberta sat silent in their seats. I think on that basis alone it would be only fair that some speaker from Alberta should be permitted to follow the hon. member for Davenport in discussing this vital issue, and I can assure you, Mr. Chairman, that if the hon. member for Bow River discusses it, we shall be quite satisfied, so far as our group is concerned, not to repeat what he has said.

Mr. MACKENZIE (Vancouver Centre): On the point of order, Mr. Chairman, it is quite true that under the Department of Mines and Resources there in an item dealing specifically with geology and the development of the tar sands, but I suggest that, strictly speaking, these are not ordinary estimates where each department is called separately, and that there is no power in the Chair to limit the discussion except by agreement upon all sides. That is not the case with the ordinary civil estimates. But here it is done by agreement by the committee, and I think by cooperation we can reach the same result as we do in committee of supply.

Mr. HANSELL: I think we shall all agree, Mr. Chairman, to let the hon. member for Bow River proceed.

The CHAIRMAN: I believe that the request is a reasonable one since the hon. member has assured the committee that there will be no repetition by members of his group; repetition has, of course, been criticized in the press several times, and I may also be criticized if I allowed them to go unnoticed.

Mr. JOHNSTON (Bow River): Thank you, Mr. Chairman. I shall take no longer than is necessary. I was discussing the part which the Minister of Munitions and Supply had played in this matter every year, and it is surprising to me at least that the Minister of Munitions and Supply has been the only minister on the government benches who has seen fit to deal with this question. Some of the letters which I have in regard to the development of the tar sand, and particularly the experimental work that was carried on are letters written and signed by the Minister of Munitions and Supply, so that whether or not the matter comes directly under his department, it is certainly one in which he is directing the progress of development, and therefore he must share to a degree the responsibility for its progress.

Mr. CHEVRIER: But he has just said he is not.

Mr. JOHNSTON (Bow River): I have letters here signed by the minister, written to the province of Alberta, and dealing with this question, so that he must have something to do with this development. It may be only the experimental work with which he is concerned. But certainly the letter which the Minister of Munitions and Supply wrote to the premier of Alberta on June 23, 1942, deals with this very problem. Let me read part of it:

> War requirements for petroleum are so urgent, particularly in connection with the activities in northern Alberta, that the federal government wish to explore the possibilities for a large-scale development in the vicinity of the Abasand operation.
>
> Tentative arrangements have been made to have the exploratory work carried out under the direction of officers of Consolidated Mining and Smelting Company. The deposits will be drilled to determine the quantities. The Abasand refinery runs will be checked and studied in an effort to determine refining costs. Laboratory tests, and possibly a full scale refinery run, will be carried out to determine whether the sulphur content can be dealt with in order that aviation gasoline can be obtained as one of the products.
>
> This work is, of course, contingent on the approval and cooperation of your government. If the work is to be undertaken it is our desire that no more crown leases be granted in this area until a decision can be reached as to whether a large-scale development is warranted.
>
> I would appreciate the favour of an early reply which will, I hope, offer the cooperation of your government in the studies which we propose to undertake.

This letter is signed by the minister. Therefore, definitely, he has something to do with it, because it was he who communicated with the government of Alberta to secure their cooperation, which they most readily agreed to give, as is evidenced in a letter which I have here dated July 3, 1942, in reply to the minister's letter, and signed by the then premier, the late Mr. Aberhart.

One of the things which astonishes me in the minister's letter is the statement:

It is our desire that no more crown leases be granted in this area until a decision can be reached as to whether a large-scale development is warranted.

It is the only case of which I have recollection wherein any other enterprise has been asked to stay out of the development field. In almost every other field of prospecting for minerals, everybody has been encouraged to go in and assist the government in discovering and developing these natural resources. But here is one area, in the northern part of Alberta, which has the largest potential supply of gasoline in the world. It has been estimated at 250 billion barrels, and our own government experts estimate it at over 100 billion barrels. Yet the dominion government request that nobody else be allowed to go in there and do anything in the line of development until this government has had a chance to see whether it is worth while or not.

That is a peculiar attitude to take. I have studied the report of the reconstruction and reestablishment committee with regard to this development of the Abasand tars by the Abasand oil company, and the vagueness of the evidence is amazing. The issue is continually evaded. In almost every instance there is contradiction. One cannot but get the impression of a design to stall the operations and development of that Abasand company. I believe such an attitude would be unwarranted even in peace time. How clearly it is exemplified I shall endeavour to point out in greater detail as we go on.

Let us look at the research plant here at Ottawa which is concerned with this matter. The Department of Munitions and Supply has something to do with it; there is no getting away from that. It is clearly indicated by letters which I have here.

May I interpose at this point that I think the Minister of Munitions and Supply has done a wonderful job as far as developing our war effort is concerned. I have said so before. But this is one place, or I should say, this is one more place where the government has definitely fallen down on its responsibility. I should like to see the whole thing put under the Department of Munitions and Supply, because I think the minister is capable, and I was agreeably surprised to learn to-day that he has not anything actively to do with it.

This plant in Ottawa has spent, in one instance that I know of, in the development of tar sands, over $500,000. It is recorded in *Hansard* in a statement of the Minister of Munitions and Supply last year that the plant has been engaged for thirty years on research in the development of tar sands. But we are not even yet at the place where we know where they are going. Let us turn to some of the evidence in this regard. On page 921 of the evidence given before the reconstruction committee, Mr. W. B. Timm, director of the mines and geology branch, Department of Mines and Resources, says:

While the results of this research work—

That is, research carried on here at Ottawa.

—will be of real value to any research work carried out in a larger plant, they will not serve to guide engineers in the design of a commercial plant.

Well, now what in the world have we been doing for the last four years, ever since the war started? According to the minister's own words this is an urgent matter. He appealed to the province of Alberta for co-operation. Its urgency was stressed on the ground that we were short of gasoline. If that is so, this report is not very encouraging.

Let me cite some more evidence. On page 923 Mr. Timm says:

We therefore recommend that the unit best adapted for our investigations should be of the dimensions that can be termed semi-technical.

For thirty years they have been doing research work on this problem. The war has now lasted for over four years. Gasoline is one of our most precious and vital supplies. We have spent about a million dollars on development work. Now they say they want a larger unit because "the unit best adapted for our investigations would be one that can be termed semi-technical." The plant they have now is not, they say, suitable for their investigations.

The functions of the proposed new laboratory and plant are to investigate various processes involving hydrogenation applied to Canadian raw materials such as coals, bitumen, heavy crude oils, and residuums from petroleum refining that can be utilized as sources of gasoline or other liquid fuels.

It is amazing that after thirty years of research, after spending around a million dollars, they have finally decided that the plant which they have been using for experimental purposes is of no use whatever for the design of a commercial plant, and now they want a larger one.

May I quote a little further from this evidence, on page 922:

As stated previously, a small experimental hydrogenation plant for studying the manufacture of synthetic liquid fuels from such sources as coal, bitumen, et cetera, has been established.

That is the one here in Ottawa on Booth street.

This is as far as Canada has gone to provide substitute fuels for such a contingency.

So that the evidence given before that committee is that that is as far as they have gone, though over a million dollars has been expended on this development, in research.

This effort while of considerable value in providing scientific information can in no sense be considered as a major contributing factor to the solution of the problem under discussion.

Here in the statements which I have read is the evidence that the progress made to date is anything but satisfactory and they do not even know yet what the prospects are for these Abasand deposits. Let us see more of the evidence. Asked the question, before the committee:

What success have you had?

They state:

We believe the results are encouraging but we cannot go nearly far enough with the small help we have.

The further question was asked:

What would you require in the way of an enlarged plant to make your researches more effective?

The answer was:

That is really the plan now that is being presented here.

Up to date they have not had facilities to make their researches effective and what efforts they have been making have consisted in playing around with the subject. Is there any wonder then that the provincial government of Alberta has come to the point where it says that it looks as if there had been a deliberate effort to sabotage these tar sands?

The plant at Fort McMurray has been referred to, and the progress there has been apparently anything but satisfactory. In this evidence, at page 930, they make a further statement with reference to the plant in the north. Let me read one question:

Q. You spoke about having a plant in mind there with a volume of 200 gallons a day?
A. That is what we would like to have.
Q. Presuming the funds were available, how long do you think it would take to erect that plant and equip it with the necessary machinery?
A. That is very hard to say under present conditions.
Q. But you could give us an estimate?
A. A very rough guess would be a year and a half.

The minister said that they would have sufficient knowledge to know whether they would go on with it around June. Here the request of this geological research committee is for a new plant to go ahead with an order to obtain further knowledge in regard to these sands. They want sufficient money to build the new plant and they figure it will take about a year or a year and a half. That does not coincide with what the minister said a moment ago. There is a discrepancy between these statements, and I submit that a thorough investigation should be made to ascertain what progress is being achieved there. I am sure that the Minister of Munitions and Supply would be one of the first men to put his hand to that task and to say, "We will go ahead with this thing properly," because I have enough confidence in him to know that this would be the stand he would take.

Now may I read, with reference to this plant, something that was said in the Alberta legislature the other day. In the provincial legislature in Edmonton this question was being discussed and the provincial minister of public works, the Hon. Mr. Fallow, made reference to it. This is what he said in regard to the construction of that plant in Athabaska. I take it, as stated by the hon. member who spoke before me, that the provincial minister of public works, holding the position he does, must have a sense of responsibility. He has visited the plant on several occasions; he is minister of public works of Alberta; it is to their credit to see that the work is carried on, and if it is not being properly carried on to the extent that the provincial government thinks it should go, it is to their interest to proceed on their own and to carry out some development in this regard. I make these observations to indicate that the minister of public works of Alberta must have a sense of responsibility, and when he comments upon that development of the Athabaska tar sands, he must have something serious in mind. Well, this is what he said:

The $500,000 which had been appropriated by the dominion government to investigate the possibilities of large-scale production from the oil sands had all been spent in building modern dwellings, dormitories and workshops, sufficient to accommodate a much greater number of people than the plant required. This modern town was equipped with an up-to-date waterworks and sewage system; a modern electric light plant, buildings steam heated, a modern sawmill installed which cut the 400,000 feet of lumber used in the buildings, and not a dollar spent on the construction of a separation plant or to instal a piece of refinery equipment, and we were told that operations were going to be closed down because the money had all been spent.

That bears out the statement which was made by the hon. member for Davenport (Mr. MacNicol), who personally visited the ground. If we take the two statements together—and these gentlemen have probably never seen each other—there must be some truth in what has been said when they make the same assertions. Here is a town employing approximately 155 people, according to the return that was given me; yet it is modern

in almost every sense, with waterworks, electric lights and everything else, $500,000 having been already spent on modern buildings, and yet not one dollar has been spent on refinery equipment or a separation plant. If that is not a colossal waste of public money, and, I would also say, a deliberate attempt at sabotaging that development for years to come, I should like to know what to call it.

The speech goes on:

The stories I got from men who were working on the project made me wonder if the dominion government had borrowed some of the inmates of an insane asylum to handle the work. Some of the men who left the job told me they could stand it no longer. They thought everybody was crazy. They told me that trenches were dug and forms were put in to run the concrete foundations and the next day a gang of men would start digging other trenches close by and throw the earth into the hole they had dug the day before. Buildings were started and then torn down or moved to temporary foundations and finally they started putting the buildings on skids instead of foundations so that they could move them around with tractors to suit everybody's convenience. Trenches were dug for sewer and waterlines and the waterlines laid and backfilled without testing pipes for leaks. Later, when the water was turned on, the lines leaked so badly that the trenches had to be reopened and the lines taken up.

Then he states that this was done in the winter when the ground was frozen. The evidence is quite clear that there was a colossal waste of public money and it does warrant investigation.

Later on he says:

I want to assure you, Mr. Speaker, that on the two occasions when I visited this plant there was certainly no evidence of a shortage of manpower or machinery.

Apparently, therefore, that excuse could not be given, that there was a shortage of manpower, or machinery, which was the excuse given in the return brought down to me.

There was enough machinery and man-power to handle half a dozen plants of this size, most of which was idle.

I am quoting all this so that the committee will see that there must be some grounds for the statement in regard to the laxity of the dominion government in developing these sands.

Farther on in his speech he had this to say:

No construction work was done that it was not changed at least once. Changes three to five times were not uncommon. It will perhaps be conservative to say twenty-five per cent of the workmen were continuously engaged in tearing down some of what the other seventy-five per cent had put up.

This condition continued until the end of January and at that time no work whatever, either on the separation plant or refinery had been done since the General Engineering Company took over. During the last few days of January some men were started on the boiler-room building, but at the end of this month no more than one per cent of the work had been done there—this in spite of the following facts. . . .

Then he goes on and reports a lot of facts.

I received a return to a motion of mine in which I asked the following questions:

Has the pilot plant been started yet? If so, how long before it will be completed?

The answer to the first part of the question is: "Yes." The pilot plant has been started; but according to the speech which Mr. Fallow made in the legislature just a boiler-room had been started and very little work was done on that. The answer given here is correct although it may be misleading. Then the following answer is given to the second part of the question dealing with the time in which the plant will be completed:

. . . date of completion depends on delivery of equipment and materials, and availability of labour.

According to the minister of public works of Alberta who visited that plant on two different occasions, there was no shortage of manpower and there was no shortage of equipment, because the Abasand company at least had been producing—I am now speaking from memory—about four hundred barrels of crude oil a day. Surely we can do as good as that. The amazing thing is that although we spent thirty years in investigating these tar sands, yet to-day we have no information that would lead to the construction of a large commercial plant. We find to-day these things are continually being deferred as time goes on. The evidence produced indicates clearly to me that something drastic should be done in this connection.

In the course of my remarks I said that on one occasion the research department had spent $500,000. I should like to read a little of the evidence to show what a disgraceful performance the whole thing has been. Mr. Ells appeared as a witness before the reconstruction and reestablishment committee. Mr. Ells is the engineer in the fuels division of the Department of Mines and Resources. He was asked this question:

Is it not true that some years ago two carloads of these tar sands were sent over to England for experimental purposes?

I wish to read what he said to show how evasive his evidence was. Some investigation should be made into this matter. On page 964 of the evidence contained in the minutes of proceedings and evidence No. 33, the hon. member for Davenport asked the following question:

May I ask Doctor Ells one further question; Doctor, I said this morning that I had read sometime prior to 1936 or 1935 that a con-

siderable quantity of tar sands had been sent to England for testing under the Freeman process of extraction of oil from the sand; have you ever heard of that; or, have you any recollection in regard to that having been done?

Doctor Ells: I have heard of it but I think the results have not been given out.

He does not know for sure. He says: "I have heard of it." That is a vague recollection. Mind you, two carloads of Athabaska tar sands were sent clear to England at an expense of $500,000, and Mr. Ells, who was giving evidence said:

I have heard of it but I think the results have not been given out.

He was then further questioned about this matter and on the next page he says:

No, I have not any definite recollection.

That is, he has no definite recollection of its having been sent to England. I think I should go back to the next page and read the question of the hon. member for Davenport, which was as follows:

Have you any recollection of the sand having been sent to England?

The answer is:

No, I have not any definite recollection.

If anybody sent two carloads of Athabaska tar sands over to England at an expense of—with the investigation which was carried out—$500,000, there is something wrong with his memory if he does not even remember it. His answer goes on:

I do recall that some years before that there were two carloads went over to England, to Cardiff, Wales, and a rather large amount of money spent in testing a method—I think about $500,000.

Mr. MacNicol: It was sent over to Cardiff?

Doctor Ells: Yes, two carloads; I shipped them myself.

Mr. MacNicol: What was the process used?

Doctor Ells: It was a secret process; it was so secret that the work was all done under the surveillance of the metropolitan police and nobody was allowed near the plant. They did not give anything out. The two men working on it, as I recall, died, and nothing was given out.

Just a few moments before that he said he did not remember the tar-sand being sent to England. There is something fishy about this, Mr. Chairman. You cannot tell me that that would not be a vivid recollection in one's mind. If that is the kind of men we have developing or carrying on the investigation work in Athabaska tar sands, heaven help us if we have to depend upon them for our war supplies. I am not trying to insinuate that Mr. Ells is not a reliable man, because I have read some of the articles he has written on the tar sands and they are excellent and give a glowing picture of the prospects in that area. But why does he come before a committee, such as the reconstruction and reestablishment committee, and throw cold water on the whole thing? There is something sinister behind it.

The Minister of Munitions and Supply wrote to the government of Alberta and said that it is an urgent matter. We are told it is a necessity. We even have to ration gasoline to the people. I could say something about that, which I shall do some day. I have spoken on that question before in the house. I have some personal knowledge in that regard, but I do not intend to bring it up just now. Is it any wonder that the provincial government passed a resolution the other day in the Alberta legislature? I shall read the resolution. On page 4 of No. 22 votes and proceedings of the legislative assembly of the province of Alberta, the following appears:

Whereas, on June 23, 1942, the dominion government advised the Alberta government that "war requirements for petroleum are so urgent that the dominion government wish to explore the possibilities for a large-scale development in the vicinity of the Abasand operation," and requested the cooperation of the Alberta government in withholding the granting of any more crown leases until a decision can be reached as to whether a large-scale development is warranted; and

Whereas, large sums of money have been appropriated . . .

Mr. HOWE: On a point of order, is it permissible to read the proceedings of a provincial legislature in this committee?

Mr. DOUGLAS (Weyburn): Yes.

Mr. COLDWELL: I think so.

Mr. JOHNSTON (Bow River): It is merely a statement of something that is already passed. It is in the press, Mr. Chairman, and is public information.

Mr. CHAIRMAN: If it is not derogatory to the activities of the House of Commons I believe it may be read.

Mr. JOHNSTON (Bow River): I shall continue:

Whereas, large sums of money have been appropriated by the dominion government and spent on the construction of fully modern dwellings, dormitories, workshops, construction machinery, etc., far in excess of reasonable requirements, but no plant has yet been erected and no actual steps have been taken to demonstrate the possibilities for a large-scale development of the Athabaska oil sands.

Mr. HOWE: Mr. Chairman, I say that this is definitely derogatory to this House of Commons, and I ask for your ruling.

Mr. JOHNSTON (Bow River): Where is the point of order?

Mr. HOWE: The hon. member is reading a statement made in the provincial legislature which I think is derogatory to this House of Commons.

The CHAIRMAN: While I believe it is not in order to read from a previous debate in the House of Commons during the present session, after all the document being quoted by the hon. member is a public document dealing with what took place in a provincial legislature, and I think it may be quoted.

Mr. JOHNSTON (Bow River): I understand that it becomes a public document when I read it, and I am quite prepared to table it when I am through.

Mr. CHEVRIER: The point the minister was making is that any document which is derogatory or which attempts to attack anything done by a department of government should not be read in the House of Commons. It was on that point that the minister rose, and I do not think a statement to that effect should be read in this chamber.

Mr. GRAYDON: On the point of order, I think the minister and his parliamentary assistant are confusing a reflection on parliament with a reflection on the government, and the two are entirely different. My understanding of the remarks of the hon. member is that this resolution has already appeared in a large section of the press of Canada.

Mr. CHEVRIER: The hon. member is reading from a statement made in the Alberta legislature.

Mr. GRAYDON: Surely if the press of Canada have a right to report it, there is nothing to hinder anyone from reading it in this House of Commons. I think we are carrying this matter of "not in the public interest" a little far if we stretch it to cover this point. As far as this party is concerned, Mr. Chairman, I am going to ask you to rule in favour of the hon. member who has been reading the document, because I do not see a question of privilege there.

Mr. COLDWELL: This resolution is published in the votes and proceedings of a provincial legislature. It is a resolution of the legislature, which expresses the point of view of a provincial government. If it is critical of the federal government that is not to say it is critical of or derogatory to this parliament as a whole.

Mr. GRAYDON: It might even reflect the views of a majority in this house.

Mr. COLDWELL: That is conceivable, given time, but I am not going to discuss that. Surely a resolution passed in a provincial legislature, dealing with intergovernmental matters, may be read in this house, particularly since it is part of the public records of that province, which has appeared in the press and is included in the votes and proceedings of that legislature. I think the minister and his parliamentary assistant are taking a wrong view of this.

Mr. HOWE: Then I would be very much interested if my hon. friend could carry on and explain to me what item of the estimates is now being discussed. The entire evening has been spent in discussing a matter which does not come in any way under the Department of Munitions and Supply, and which does not involve one dollar appropriated to this department. I suggest that you have given sufficient latitude, Mr. Chairman, and I should like a ruling on that point.

Mr. JOHNSTON (Bow River): That is an entirely different question.

The CHAIRMAN: In setting forth the position of the Chair earlier in the evening I stated that probably I was at fault in this matter when I allowed the hon. member for Davenport to go on with his speech, in view of the objection taken by the Minister of Munitions and Supply that the matter came under the Department of Mines and Resources. Later, however, when I attempted to express a ruling on the point, I believe unanimous consent was given to the hon. member for Bow River to continue with his remarks. I have already given my ruling on the point of order raised in connection with the reading of a resolution passed by the Alberta legislature. I believe it is in order as long as no reflection is cast upon the procedure or activities of the House of Commons.

Mr. DOUGLAS (Weyburn): Before the hon. member goes on I think we should get one point of procedure straight. Several times a question has been raised as to whether or not the hon. member was in order in continuing this discussion. May I point out that we are discussing the war appropriation resolution, which relates to the defence of this country and to national security. The estimates now before the committee are presented in this way purely by arrangement and for the convenience of the committee. As far as the rules of this house are concerned there is nothing to prevent any hon. member from conducting a discussion on the army, or on naval affairs, or on the air force; no one can stop him. These items are before us in this way purely for our convenience. I am quite in agreement that we should keep to the arrangement we have made; otherwise the

discussion would wander all over the place. However, no one can rule the hon. member out of order for discussing anything relating to the prosecution of the war or the welfare of the country.

The CHAIRMAN: We are dealing with the war appropriation resolution which, as the hon. member has stated, would permit a very wide discussion to be carried on. The Minister of Munitions and Supply, however, has stated to the committee definitely that the matter of the Alberta tar sands under discussion this evening does not come under his department, so that I suggest that we should allow the hon. member for Bow River to go on and that will be the end of that discussion. Many times we are accused by hon. members, and even in the press, of having a great deal of repetition in this chamber. I am sure hon. members can readily see that when the estimates of the Department of Mines and Resources are before the committee we are likely to have repeated what we have heard so far this evening. That is the position as I see it.

Mr. FAIR: I should like to point out that apparently we have wasted about thirty years, as far as this matter is concerned, under the Department of Mines and Resources. It is about time that jurisdiction was given to another department, preferably Munitions and Supply, so that we may make some headway. Would that be in order?

Mr. JOHNSTON (Bow River): The resolution continues:

> Whereas, this apparent waste of public funds and the lamentable loss of valuable time in tearing down the Abasand plant, constructing dwellings, dormitories and workshops and in other activities which are only incidental to the demonstration of an economic process for the commercial extraction of oil products has created grave fears and misgivings in the minds of the public that the whole development of the Athabaska oil sands is being systematically sabotaged; now, therefore,
>
> Be it resolved, that this legislature petition the dominion government to set up immediately a royal commission of inquiry, with specific instructions to investigate all activities on and in connection with the Abasand oil properties since June 23, 1942, to ascertain why, despite the large sums of public funds which have been spent, no plant has been erected or equipment installed and no actual experimental work carried on to determine the possibilities of extracting oil products in commercial quantities from the Athabaska oil sands.

It might be of interest to note further that when the vote was taken on this resolution all the Liberals and Conservatives, who in Alberta are known as independents, voted against any inquiry to find out why this situation existed in Athabaska. They were solidly of the opinion that the laxity, indifference and jeopardy to our war effort should continue. The votes and proceeedings records their names, as follows:

> Messieurs MacLachlan, Bowlen, Mahaffy, Walker, Martin, Macdonald, Jackson, O'Brien (Dr.), Campbell (Dr.), Tellier, Brown, Laut, Broomfield, McKinnon.

The CHAIRMAN: Order. The hon. member has spoken for forty minutes.

Mr. JOHNSTON (Bow River): Since I have been interrupted so often—

The CHAIRMAN: I have allowed six minutes for interruptions.

Mr. DECHENE: As the member for Athabaska I desire to voice a most strenuous protest against the proceedings to-night. I have not been in a position to take part in this debate because my documents were not available. This debate has been allowed to proceed entirely out of order and I protest as strongly and strenuously as I can.

The CHAIRMAN: That is rather a reflection upon the Chair. I do not know whether the hon. member was in the committee when I made the ruling, but I took the Minister of Munitions and Supply and the committee into my confidence before I gave the ruling. When the minister made his presentation this afternoon, tar sands were mentioned, so that it was rather hard for the Chair to rule against this debate, and the minister felt the same way on that subject.

Mr. BLACKMORE: In my judgment you are entirely in order.

Mr. STIRLING: Mr. Chairman, I do not propose to carry on the discussion on tar sands. In his lengthy address this afternoon the minister made reference to various forms of fuel which are made use of in carrying out our war effort. He referred to coal, wood, gas and oil, and I wish to ask him to be good enough to inform the committee as to what developments have taken place in connection with the processing of coal at the mine. Experiments have been going on in this country, and it is quite evident that considerable benefit would be derived from a more economical use of the coal we have. I am given to understand that in the United Kingdom about one-sixth of the coal mined is put through a process immediately which produces not only fuel but various by-products. Before the war a great deal of work was done in Germany, both in an experimental and in a commercial way, with regard to brown coal. It is the belief of many to-day that the German scientists have solved the question that baffled scientists in past years and are

able to produce lubricating as well as fuel oil. We believe that in Russia the coal mined at several fields is processed at the mine to produce a gas which can be carried to other parts of the country.

Canada is a country of great spaces; our coal is mined at places far distant from the centres of population, and for purposes of economy it may become necessary to produce the fuel and the by-products at the mine. What we do now is to mine the coal and spend tens of thousands of dollars in carrying it elsewhere where it is burned most wastefully. It is computed that something like two-thirds of its intrinsic value goes up the chimney to the detriment of our health and property. If we could produce fuel and by-products at the mine we could provide employment for men and could make a more economical use of this natural resource. This would prove of great benefit to the transportation companies which would carry goods to the communities in the mining areas and then carry out the products of the mines. I have no doubt that in considering fuel matters the minister has given due thought to the experiments which have been going on, and I should like him to give us the benefit of his opinion as to the prospect of using coal in this more economical fashion.

Mr. HOWE: I should like time to examine the statements and obtain the opinions of my experts. I shall try to make a statement on this matter before the debate ends.

Mr. FRASER (Peterborough West): I should like to ask a few questions, but first I wish to offer a suggestion to the Minister of Munitions and Supply. He has under his control many plants employing thousands of workers. A few weeks ago most of these workers were handed income tax forms to be returned by April 30. The majority of these workers are very much troubled at the present time. While these income tax forms are supposed to be easy to make out, the fact is that they are extremely difficult. I understand that in each of these plants there is a munitions and supply office, and I suggest to the minister that he arrange to have one, two or three people placed at the service of the workers to assist in making out their income tax forms. I would suggest also that the Minister of Munitions and Supply take up with the Minister of National Revenue, who unfortunately is not present this evening, to see if these workers—many of these plants are many miles from an income tax office—cannot be permitted to pay their income taxes at offices in the plants in which they work. In many instances these workers thought all their income tax had been deducted for 1943 and they are now finding that they have paid only half the tax. I feel, and I imagine the minister may feel the same way, that it would assist in keeping up the morale in these plants if this suggestion were carried out.

During the last year something else has cropped up which has not helped the morale of our workers. When many of these men go home at nights they are unable to have the benefit of their radios, because at the present time it is almost impossible to buy new radio tubes. One of the many controls exercised by the minister is in connection with the manufacture of radio tubes and his department issues releases to these manufacturers. I suggest that he see to it that proper materials are released so that tubes may be manufactured and these workers again given the benefit of their radios. This matter may rightly belong to another department, but I have talked to the minister and I know he is anxious to have these workers in the best of spirits. I think this would help considerably.

I have a few questions to ask on the first item. I should like to know just what plants have stopped work, where they are situated, and what munitions they were making. When a contract is given for the making of a boat or something of that kind, are wages allowed to be bulked instead of details being given to the minister's department? I should also like to know what large machines are rented by the minister's department for his different plants, such as travelling cranes and large machines for handling work in the plant.

There have been complaints that machine tools have been left idle in plants for many months and the workers, of course, feel that these machine tools should be working on something. I appreciate the fact that the munitions or guns these machine tools were turning out have perhaps reached their production peak for the present, but I was wondering whether there was not something that these idle machines could be put to work on.

The minister mentioned this afternoon that sales were being made to the United States. Would he tell us just what the United States are buying from us at the present time and have been during the past year, and to what amount? Could the minister also tell us if there is any chance of the Nobel plant being opened again, and just why was that plant closed?

There is another matter I will mention now since the minister in his speech mentioned wartime housing and staff houses. I bring the

question up now because in Peterborough, Ontario, in the riding I represent, I know one staff house which has so few persons in it that I feel it could be put to better use if it were turned into a hospital for the army, the navy or the air force, or for them all, instead of being left as a staff house. It is well equipped, has large dining-rooms, good bathrooms and every facility, and with very little trouble ramps could be made to take the place of the few steps leading up to the different floors, in order that the chairs and beds could be moved from floor to floor easily. Will the minister answer now or later?

Mr. HOWE: I shall attempt to answer now. So far as income tax goes, I have to have the help of the Minister of National Revenue to make out mine, so that I am afraid I would not be of much help to the man in Peterborough in making out his income tax return. But I will call the attention of my colleague the Minister of National Revenue to the remarks of my hon. friend.

Mr. DOUGLAS (Weyburn): Perhaps you help the Minister of National Revenue to make his out?

Mr. FRASER (Peterborough West): But does not the minister think it is a good idea?

Mr. HOWE: I think it would be a great idea—wonderful.

Mr. FRASER (Peterborough West): It is past a laughing matter with the worker. I know that some of these workers are simply at their wits' end as to what they can do. On top of that, they have to go to the post office and get a money order to send their money in. They are put to great expense in order to look after something I really believe the government should do. In order to carry on his department the Minister of Munitions and Supply must have the income tax from these workers; that is where the minister comes in; he needs the money to carry on his department, and I feel that he should do everything possible for these workers.

Mr. HOWE: I am not disagreeing with my hon. friend in the least. I think every man should have expert advice in making out his income tax. No one needs it more than I do, and no one dreads the job more than I do, so that I feel for the workers. I will take the matter up with the Minister of National Revenue.

As to radio tubes, the difficulty is not materials but manufacturing capacity. There is nothing more urgently required for war purposes than radio tubes, and there is no field in which we have made a greater attempt to expand capacity. We have made a certain number of radio tubes that have gone to the retail trade. They have not been too well distributed, and we are checking on that. To-day we are making about what we used to make in pre-war years, and we feel that we are going a long way in invading war capacity in doing that. It has been suggested recently that we should have distribution of radio tubes under control, and we may make them a controlled item shortly. That is usually effective in straightening out distribution troubles. I assure my hon. friend that we are doing the best we can on that item.

Mr. FRASER (Peterborough West): There is a definite black market in radio tubes, and if there were some check on distribution it might help a great deal.

Mr. HOWE: I am not sure about the black market, but I do know that distribution is not very satisfactory. It is a tight supply and demand situation.

As to plants that have been closed, I cannot give my hon. friend offhand the plants that have been closed. The only one I can think of at the moment is Nobel, and the reason was that the demand for explosives from Canada dropped sharply. Part of our capacity was stand-by capacity, built at a time when British plants were being bombed very heavily. Later there was a demand for that capacity from the United States. But when the plants in the United States came into production the demand dropped. In order to carry out our production here in three plants with some degree of economy it was necessary to close one, and there were certain reasons why the Nobel plant seemed to be the obvious one to close. My hon. friend asked if there is a chance that it will be needed again. Certainly there is a chance. To-day bombs are dropping in Britain, and if a bomb dropped on a large explosive plant there, Britain would no doubt require extra production from Canada. For that reason it is very difficult to dismantle any plant. We are never sure that it will not be needed again. Part of our capacity was built as stand-by capacity, and we must use it as such until the war ends.

Mr. COLDWELL: Are we importing at the present time any explosives of the type we made at Nobel?

Mr. HOWE: No.

Mr. COLDWELL: Not propellents?

Mr. HOWE: We did for a short time. We had a T.N.T. line that was being run at a very small capacity; we wanted to convert

that line to something else, and for a time we did import a small amount of T.N.T. It was a dropping requirement. We did it to tide us over a temporary situation.

Mr. HATFIELD: Have all the men who were employed at Nobel been given other employment?

Mr. HOWE: Yes.

Mr. STIRLING: Has no dismantling been done at Nobel?

Mr. HOWE: We took out a small chemical unit, moved it to Calgary and installed it there. If we again need full capacity at Nobel we could easily move it back. It is one of three duplicate units

Mr. STIRLING: The premises are now in the hands of caretakers?

Mr. HOWE: Yes.

Did I finish answering the questions of the hon. member for Peterborough West? He said something about the staff house, I believe.

Mr. FRASER (Peterborough West): Yes.

Mr. HOWE: That staff house is not operating with occupancy sufficient to warrant keeping it open, and we have offered it to the Department of Pensions and National Health. I know the officers of that department have examined it. I am not just sure what the report was. In any event I quite agree with my hon. friend that under the circumstances we should not keep it open.

Mr. FRASER (Peterborough West): I might add that these staff houses are built in such a way that during the winter months, and especially in the spring, they have to be heated; otherwise the plywood which is inside would warp and the buildings would deteriorate in no time. All of them will have to be kept heated.

Mr. HOWE: Yes.

Mr. HANSELL: I should like to ask the minister a question, following the question which was asked him last night, with respect to the air training schools which are likely to fall victims to the decision that many of them have to be closed. The minister, replying to a question last evening, said that these schools would not be allowed to depreciate. Perhaps that is not the answer which we were looking for.

Mr. HOWE: I said that the runways would not be allowed to deteriorate.

Mr. HANSELL: The minister could put a few watchmen on there and perhaps that would do the trick. But what I would ask the minister is this. As the basis of my question, may I remind him that when these air training schools were built and manned by the staff, and were operating, where they were built in small communities, perhaps adjacent to a town or village, the population of those communities increased to the extent in some cases of being nearly doubled. I understand that the government has now in mind putting something else into these schools, so that instead of being run by air personnel they will be applied to some other use. The complaint which begins to come to us is this. Many people have invested money, perhaps in small businesses, perhaps in remodelling their homes, because these air schools have acute housing difficulties; sometimes town councils have asked the residents to do all they could to accommodate the additional people coming in. After having run for, perhaps, not more than three years, some of these schools are to be closed, and the local town is simply going back to the position it was in before the war. In some cases people will lose money on their investments. I realize, of course, that if the war were to end to-morrow, that would be the end of the schools, and the inevitable will come, but some of us have received a good many communications from these communities—from individuals, from boards of trade and other organizations—with respect to this matter. Would the minister amplify his answer of last evening and tell us if the government has any plan whereby the schools can be operated in some other way, so that these communities will not be set back commercially, financially and otherwise.

Mr. HOWE: The disposal of the fields will be handled in this way. In due course they will be declared surplus to Royal Canadian Air Force requirements. I may say that up to this time none has been so declared. When they are, they will pass to the war assets disposal committee. The committee will inquire of all government departments whether any department has use for any portion of the assets of that field. The Department of Transport will take over the field itself and such buildings as it believes to be useful for an airport to meet civil aviation requirements. The other buildings, as I have said, will be offered to other departments. If there are no claimants they will pass to the War Assets Corporation, which will dispose of them in a manner which will bring about the greatest good to the greatest number; a decision that will require very careful study.

That, I understand, is the procedure. I think that people in the towns concerned must have realized that the school was there for a longer or shorter period depending upon the requirements of the air training programme. It

would have been hardly reasonable to suppose that so tremendous a programme would go on indefinitely. Naturally, pilots have to be trained before they can be used, and logically the training would not continue to the end of the war. There comes a time when all reasonable requirements for number of pilots have been met. That is about the best answer I can give my hon. friend.

Mr. DIEFENBAKER: Is the minister now in a position to answer the several questions I asked him, in particular with regard to the plan for the liquidation of war-time industry or its translation into civilian production? What is the plan the minister has in mind in that regard? Several months ago, I think it was last November, an article appeared in the press to the effect that the government had decided to free as far as possible, within the limitations of the safety of the state, many unnecessary economic controls which had prevailed since the outbreak of war. Demobilization of a war industry to change from war-time into civilian industry, to the end that civilian wants may be satisfied without detriment to the war effort, and also the liquidation of unnecessary war-time controls, are matters within the knowledge of the minister and in respect of which I asked certain questions this evening.

Mr. HOWE: My hon. friend has given me a good deal of territory to cover. He seems to press me for plans. He pressed me very hard for the government's plan for civil aviation. I gave it to him last Friday, and apparently he does not know what to do with it now he has it. I believe that if he will think back he will realize that, since this parliament opened, we have given out our plans to a considerable extent. I think that in the matter of planning for post-war development we have announced our plans step by step in advance of any other country. My hon. friend referred to the Baruch report on the disposal of surplus war assets. I might point out that our plan of disposal was announced some months before that plan came out. As far as disposal goes, we are almost exactly parallel with the proposals of the Baruch report. I would point out, however, that our plan is in operation, while the other at the moment is only a plan although the personnel has been appointed in the last two or three weeks.

Mr. DIEFENBAKER: Will the minister explain the plan that is in operation? That is what we want to know. What is the plan?

Mr. HOWE: The plan has been explained. There will be legislation covering it. At the moment it is in operation under the War Measures Act and it was set up before parliament met. We are getting all the experience we can to enable us to bring in the best bill possible, and before parliament rises there will be a bill to cover the disposal situation.

The procedure is this. There are two bodies. One is the Crown Assets Disposal Committee. That committee is made up of representatives of all war services and two or three departments outside that which have special interest in disposal problems, and it also includes a representative of labour, a representative of the farming industry and a representative of householders. Any item that is declared surplus to government requirements first goes before the committee. It is really a policy committee, or at least it is a committee to advise the minister and the government on policy in connection with various items. If an item declared surplus by one department can be useful to another department, that fact is noted in the report to the minister. In any event, the committee recommends a procedure. If it recommends that the item should be disposed of, it is so reported to the government, and the government by order in council turns the item over to the War Assets Corporation for disposal. The policy of disposal as advised by the committee is passed on to the War Assets Corporation as an instruction. The War Assets Corporation then studies the disposal of the item in the best interests of the greatest number of people. If it is an item of common purchase it will be put into retail channels in such a way that every part of the country will have a fair opportunity of purchasing the article.

I might point out that at this stage the items being dealt with by the corporation are not items of that class. They are usually surplus materials left from the cancellation of a contract, or they may be obsolete aeroplanes or an overage battleship. The disposal is studied by experts who make up the board of directors of the War Assets Corporation, and the War Assets Corporation may find that it is possible to dispose of the article in one of a number of ways. The company advises the government of the price that can be obtained, and the recommendation is either accepted by the government and the sale made, or it is rejected and the corporation is asked to find some other means of disposal.

That, I think, is a brief outline of the work of the committee and the company. It has taken some time to put the various items through the procedure. Great care is taken, both by the committee and by the corporation, in working out its procedure. In fact, no sale has finally been completed by the corporation at this date. It will be the policy of the corporation to make frequent reports. Parliament

will be kept well advised, and I can assure my hon. friend that it is the purpose of this plan to work inside the goldfish bowl, as recommended by the Baruch report.

Mr. GILLIS: Mr. Chairman—

Mr. HOWE: Does my hon. friend mind if I finish with this list of questions first?

Mr. FRASER (Peterborough West): How do you advertise that you have something for sale?

Mr. HOWE: I do not advertise that I have anything for sale. It is the work of the corporation, and the corporation has sold nothing yet. Therefore let us leave the corporation to work until it has actually made some sales and we shall then report to the house.

I am answering now the question asked by the hon. member for Lake Centre (Mr. Diefenbaker). About the plan for the demobilization of economic controls, which is rather an elaborate way of saying, how do you get rid of controls once you have them, if my hon. friend notices the control orders advertised from week to week he will find that we are dropping them every week. The purpose of the control is to take charge of an article in short supply and increase supply to meet needs, or, failing that, to distribute the article to meet war needs as the first priority and civilian needs after war needs have been filled. That is the purpose of the control and it is the only purpose.

The only basis of any control in the department is to regulate supply. When the article gets in ample supply the control is lifted. We have lifted a great number of controls in the past three or four months. We have taken the control off practically all steel items and many of the metals. I believe there are only three metals to-day that are controlled. I could go through a long list of items, where controls have been relaxed to some extent. We are not in sufficient supply to be able to remove all of them, but they are coming off as fast as the supply situation will allow. Supply is the only thing that receives consideration in the question whether an article shall be controlled or not, and when the supply situation is easy we take off the control.

Mr. BROOKS: Who comprise the War Assets Corporation?

Mr. HOWE: Just a moment. The question was asked, what does the government intend to do with the air schools? I have covered that. My hon. friend spoke of obsolete armoured vehicles overseas. I am not aware of any; none has been declared surplus to us. My hon. friend will understand that we are the contractors for the armed services. If the armed services requisition for a certain item we furnish that item; then it passes into the hands of the service, and it is theirs until it is declared surplus. If they declare it surplus it passes back to the department through the disposal branch. I may say that no items overseas have passed back to us, and therefore I assume that none is surplus.

Mr. DIEFENBAKER: That does not exactly cover the situation. One frequently hears criticism of the fact that piled up along the right of way of the railways are large amounts of supplies.

Mr. HOWE: I was referring to my hon. friend's remarks about overseas.

Mr. DIEFENBAKER: I did not refer to overseas.

Mr. HOWE: I thought the hon. member did.

Mr. DIEFENBAKER: No.

Mr. HOWE: I might explain about the piles along the railways. Materials such as motor trucks and some other items move overseas in very large volume, and they move from a number of ports. For example, there may be coming into New York boats that have considerable surplus space which may be made available for Canadian equipment. They may come to Philadelphia or Baltimore, or on the Canadian side they may come to Halifax, or they may come to Saint John, or in the summer time they may come to one of the ports on the St. Lawrence river. To take advantage of that space—and space is very difficult to come by, and all of those concerned with shipping are very anxious that no boat shall go out without a full load—it is necessary to have a stock-pile of material. Experience has shown that that stock-pile should cover six weeks' output of the store. If it gets down to a month we are certain that boats will go without a full load; therefore we try to keep not less than one month's supply and not more than two months' supply, averaging, as I say, about six weeks' supply in locations where it is readily available for shipment to any one of a number of ports. These stock-piles go up and down. There was a time several months ago when we had practically no stock-piles. The boat situation was easy and we cleaned out practically everything that we had. But ordinarily goods move out of stock-piles and other goods move into stock-piles.

My hon. friend has asked me what goods were in stock-piles three years and what goods were there two years. I can assure him that stock-piles are not operated in that way. The first goods in are the first goods out; and while the stock-pile may be there larger or

smaller as he passes through from time to time, the items in that stock-pile are not the items that he saw there five or six months ago. They may look the same externally, because all motorcars are boxed in pretty much the same way and all tires and wheels for motorcars look alike. However, I can assure him that these stock-piles are carefully operated by the controller of transport and his staff; every item in them is listed, and care is taken to see that no items in the stock-piles remain there for any considerable period. That is a necessary feature of the transport of munitions overseas. It is carefully operated. I can asure my hon. friend that the spoilage is surprisingly small. I do not think it is any more than the spoilage that takes place in handling vehicles at any point. Of course, there is a certain amount in loading at the seaboard, and there is a certain amount of spoilage in landing at the other end. But I know something about the spoilage of materials in dumps because these bills come back to the department. I can assure my hon. friend that they are very much smaller than I anticipated they would be when it was found that it was necessary to have recourse to stock-piles in order to take care of the shipping situation. Does that finish the question?

Mr. DIEFENBAKER: I asked the minister about two types of material, the quads and the Heath Robinson lorries.

Mr. HOWE: I can assure my hon. friend that everything that has been furnished has been used so far as I know; at least, we have had no rejections. I do not recall the two types. We make only one type of lorry that we call a lorry. It is made by the Chrysler Corporation, and all I can say is that we are making them and the army seems to be accepting them. They are going overseas. That is all I can tell him about that. I do not recall the quad vehicles, but I shall be glad to look the matter up and see if we are making anything in that connection.

Mr. ADAMSON: The minister mentioned spoilage. Has he any idea of the percentage of the spoilage? What articles are spoiled more than others?

Mr. HOWE: It is not exactly spoilage. It does not spoil. If you drop a box on one corner when you are loading you are likely to spoil the box.

Mr. ADAMSON: That is damage in transit. When he spoke of spoilage I thought he had in mind articles that are destroyed by weathering in those dumps.

Mr. HOWE: No, none of that, not while it is in our possession. It passes out of our possession at the seaport. I do not know what happens after that. We have had no claims for spoilage of that kind. We have had the odd breakage, of course, but very little of that.

Mr. DIEFENBAKER: In conclusion, I wish to thank the minister for his explanation of the activities of the Crown Assets Corporation. He has told the committee and the country that the activities of this corporation will be open to parliament. Does he give parliament the assurance that the members of the house will be given such information as they ask in respect of the activities of the corporation regarding the disposal of surpluses or any other disposal that they may make? That is the one point, Mr. Chairman, that I make in connection with the adoption of the fishbowl principle; that parliament shall have the right to the information. That is of the essence of the whole thing. What I am trying to secure from the minister—and he has been very frank in his explanations—is this: Is parliament to receive the information of the activities of this corporation once it begins to function, or is it to be denied that information?

Mr. HOWE: The present order in council provides that frequent reports shall be made to parliament, and they will be detailed reports. The hon. gentleman asks if members of parliament will be permitted to come in and interfere with the transactions. Of course not.

Mr. DIEFENBAKER: No, no.

Mr. HOWE: After the transaction is made, the House of Commons will be entitled to full details of the transaction.

Mr. CASTLEDEN: Is it not true that order in council 9108 provides that the minister shall submit to parliament, within fifteen days of the commencement of the session, a report on the operations of the allocation committee and the company which is set up?

Mr. HOWE: I submitted a report in due course and said that no transaction had taken place. My hon. friend will notice I did that. However, legislation will come forward. This is a temporary measure. There was an immediate situation to take care of. Surpluses were arising in munition plants with cancellation of contracts. We wanted to get the procedure going. We are all feeling our way a bit in this, and I had hoped that before this parliament concluded its work we would bring in a bill which we could support with

some experience and perhaps give hon. members a better idea and perhaps have a clearer thought ourselves as to just what the proceeding should be. I think the better place to discuss the disposal company is on the bill that will be introduced into the house this session, instead of attempting to do so on my estimates. I shall certainly be better briefed at that time.

Mr. GILLIS: I have a good deal to say with regard to the war allocations committee. I am not going to do so now because it is rather late. However, I should like to make this observation for the benefit of the minister. This group are definitely interested in the war allocations committee and the Crown Assets Corporation for perhaps a different reason from that of the hon. member for Lake Centre.

There is one thing I am convinced of with regard to our post-war plans. If we are to take care of the boys that some of our friends are so vocal in talking about, when they return after the conflict is over, then our post-war plans will largely depend on that corporation as to whether there is to be employment in this country for those who return. In that connection, when there is time there are some pertinent questions I wish to ask with respect to the disposal of plants and equipment under that set-up.

Progress reported.

At eleven o'clock the house adjourned until Thursday at three o'clock p.m., pursuant to special order made Monday, February 21, 1944.

Thursday, March 23, 1944

The house met at three o'clock.

BANKING AND COMMERCE

CONCURRENCE IN FIRST AND SECOND REPORTS

Mr. W. H. MOORE (Ontario) moved:

That the first report of the standing committee on banking and commerce presented to the house on Tuesday, March 21, be concurred in.

Motion agreed to.

That the second report of the standing committee on banking and commerce presented to the house on Tuesday, March 21, be concurred in.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

PENSIONS—OLD AGE AND BLIND—FILING OF LIENS

Mr. KNOWLES:

1. In what provinces are liens filed against the property of old age and blind pensioners?

Mr. Howe.]

2. Is the filing of such liens the subject of any arrangement or agreement between the provinces and federal government?

Mr. ABBOTT:

1. The provinces of Prince Edward Island, Quebec, Ontario, Manitoba and Saskatchewan have the power to control property owned by old age pensioners and blind pensioners under the authority of provincial legislation. At the time of the last dominion examination of the provincial pension accounts, these provinces appeared to be following the general practice of filing liens or registration notices as authorized by their legislation.

2. There is no agreement and no regulation regarding the filing of such liens, other than the general agreement of each pension authority to administer pensions in accordance with the act and the regulations. Subsection 3 of section 9 of the Old Age Pensions Act provides as follows:

> A pension authority shall be entitled to recover out of the estate of any deceased pensioner, as a debt due by the pensioner to such authority, the sum of the pension payments made to such pensioner from time to time, together with interest at the rate of five per cent per annum, compounded annually, but no claim shall be made by a pension authority for the recovery of such debt directly or indirectly out of any part of the pensioner's estate which passes by will or on an intestacy to any other pensioner or to any person who has, since the grant of such pension or for the last three years during which such pension has continued to be paid, regularly contributed to the support of the pensioner by the payment of money or otherwise to an extent which, having regard to the means of the person so having contributed, is considered by the pension authority to be reasonable.

There has been some legal doubt as to whether this clause was mandatory or permissive in its effect. For some time the dominion has followed the legal opinion that the section indicated an intention on the part of parliament that recoveries should be made and that as a matter of sound administration, it should be regarded as a statutory direction to the pension authorities to make recoveries in the ordinary course. More recently we have been advised that while the drafting may leave some legal doubt, nevertheless the subsection is, strictly speaking, permissive. The provincial pension authorities have, as indicated in the answer to question 1, followed different policies, some have refused to follow the administrative requirement of making claims against the estates of deceased pensioners, others have suggested that it might be desirable either to discontinue making claims in all cases or to limit claims to the larger estates. In view of this situation, the provincial pension authorities are being

advised that whether or not recovery should be made from estates where the net value does not exceed two thousand dollars will be left entirely to their discretion.

INTERNATIONAL EXCHANGE UNION

Mr. QUELCH:

1. What are the names of the Canadian officials who drafted the proposals for an international exchange union?
2. What were the terms of reference under which these proposals were drafted?
3. Have these proposals been endorsed by, (a) the Department of Finance; (b) the government of Canada; (c) any other body?

Mr. ABBOTT:

1. The following officials of the Department of Finance, Department of External Affairs, the Bank of Canada and foreign exchange control board took part in the drafting of the "Tentative draft proposals of Canadian experts for an international exchange union": R. B. Bryce, W. C. Clark, J. J. Deutsch, W. A. Mackintosh, L. Rasminsky, N. A. Robertson, G. F. Towers.

2 and 3. The proposals were drafted to serve as a basis for the comments and suggestions to be made in regard to the American and British currency proposals by the Canadian experts who were to attend the discussions on this subject in Washington. Several of these Canadian officials participated in these discussions as a result of an invitation which the Minister of Finance, as he explained to the house on July 12 last year, had received from the Secretary of the United States Treasury to send technical experts to Washington for an informal discussion of the proposals for an international stabilization fund prepared by officials in the United States treasury. Those who took part in the drafting of the "tentative draft proposals" did not receive any instructions or terms of reference, as it was definitely understood that the experts in discussing this question, were to do so solely on their own responsibility with a view to exploring the possibility of reaching agreements on proposals that could be recommended to governments in order to solve the problem of post-war monetary instability.

CANADIAN PACIFIC AIR LINES—AIR ROUTES INTO UNITED STATES

Mr. KNOWLES:

1. Has the government been advised of any applications made by Canadian Pacific Air Lines to the United States government or any department or branch thereof dated since January 1, 1943, for permission to operate civil air routes into the United States (including Alaska)?
2. If so, when was the government so advised, and what routes have been named in such applications?

Mr. CHEVRIER:

1. Neither the Departmet of Transport nor the board of transport commissioners has received advice of any such applications.
2. See answer to No. 1.

TORONTO-PORT DALHOUSIE STEAMSHIP SERVICE

Mr. CHURCH:

1. Will the government railways operate a steamboat passenger service during the coming season of transportation between Toronto and Port Dalhousie? If so, with what steamers?
2. Will an improved type of steamer be provided this year for passenger and freight, and an improved service be given?
3. Will reduced fares be considered for holidays and weekends?

Mr. MICHAUD:

1. The Canadian National Railways proposes to operate its Toronto-Port Dalhousie freight and passenger service again this year during the period of navigation with the steamers *Northumberland* and *Dalhousie City*.
2. The same steamers will be operated as last year, on approximately the same schedules.
3. The same fares will be in effect for holidays and week-ends as effective last year.

INDIANS—TRUST FUNDS

Mr. MacINNIS:

1. What is the Indian population of Canada in, (a) each province; (b) Northwest Territories; (c) the Yukon?
2. What is the total amount of money held in trust for the benefit of Indians by the Department of Indian Affairs?
3. Is the trust fund apportioned so much to each province?
4. If so, what amount is allocated to each province?

Mr. CRERAR:

1. Indian population, 1939:

(a)	Alberta	12,163
	British Columbia	24,276
	Manitoba	14,561
	New Brunswick	1,922
	Nova Scotia	2,165
	Ontario	30,145
	Prince Edward Island	274
	Quebec	14,578
	Saskatchewan	13 020
(b)	Northwest Territories	3,724
(c)	Yukon	1,550

2. $15,692,988.06 (as at February 29, 1944).

3. The Indian trust fund is made up of some 450 individual band accounts, savings of more than 2,000 individual Indians and other special accounts for the benefit of Indians and Indian administration. Bands of Indians are grouped by agencies a number of which overlap pro-

vincial lines. The fund is composite in character and there is no apportionment by provinces.

4. Answered by No. 3.

PENSIONS FOR THE BLIND

Mr. KNOWLES:

1. How many persons in each of the provinces and in the Northwest Territories were receiving blind pensions as at December 31, 1943?
2. What was the average monthly payment in each province at the above date?
3. In which of the provinces does the monthly average indicated in the answer to question (2) include the increase provided by order in council P.C. 6367 dated August 10, 1943?
4. In which of the provinces does the monthly average indicated in the answer to question (2) include any supplementary amounts paid by the province?

Mr. ABBOTT:

1.	Alberta	240
	British Columbia	326
	Manitoba	344
	New Brunswick	720
	Nova Scotia	639
	Ontario	1,481
	Prince Edward Island	113
	Quebec	2,251
	Saskatchewan	321
	Northwest Territories	—
2.	Alberta	$23 99
	British Columbia	24 26
	Manitoba	24 23
	New Brunswick	22 98
	Nova Scotia	20 75
	Ontario	23 88
	Prince Edward Island	22 41
	Quebec	24 35
	Saskatchewan	24 45
	Northwest Territories	—

3. In all provinces.

4. In no province.

Note: The information in answers 1 and 2 has been furnished by the provinces in their statements for the quarter ended Dec. 31, 1943.

OLD AGE PENSIONS

Mr. KNOWLES:

1. How many persons in each of the provinces and in the Northwest Territories were receiving old age pensions as at December 31, 1943?
2. What was the average monthly payment in each province at the above date?
3. In which of the provinces does the monthly average indicated in the answer to question (2) include the increase provided by order in council P.C. 6367 dated August 10, 1943?
4. In which of the provinces does the monthly average indicated in the answer to question (2) include any supplementary amounts paid by the province?

[Mr. Crerar.]

Mr. ABBOTT:

1.	Alberta	11,073
	British Columbia	14,544
	Manitoba	12,294
	New Brunswick	11,876
	Nova Scotia	14,093
	Ontario	56,364
	Prince Edward Island	1,902
	Quebec	47,336
	Saskatchewan	12,863
	Northwest Territories	8
2.	Alberta	$ 22 66
	British Columbia	23 56
	Manitoba	23 33
	New Brunswick	17 03
	Nova Scotia	17 63
	Ontario	22 80
	Prince Edward Island	18 51
	Quebec	22 38
	Saskatchewan	22 90
	Northwest Territories	25 00

3. In all provinces.

4. In no province.

Note.—The information in answers 1 and 2 has been furnished by the provinces in their statements for the quarter ended December 31, 1943.

AIR TRAINING PLAN—CLOSING OF FLYING SCHOOLS —CIVILIAN PERSONNEL

Mr. BREITHAUPT:

What is being done by the government to place civil personnel laid off on account of closing of flying schools of the Commonwealth Air Training Plan?

Mr. MARTIN: Special services and attention will be given to the placement of all civilian personnel released on account of the closing of flying schools of the commonwealth air training plan. The established procedures in respect to lay-offs in war industries will be applied to these lay-offs.

Information is being obtained from the Department of National Defence indicating the schools that are to be closed down and the order in which the lay-offs are to take place.

A report has now been received in reference to the lay-off at the R.C.A.F. training school No. 4, Quebec city. Thirty-two civilian personnel are involved as follows: 4 stationary

engineers; 2 carpenters; 1 painter; 19 general duty messmen; 1 plumber; 4 cooks; 1 electrician.

The lay-off became effective March 22. Vacancies exist in the Quebec area for all being laid off except general duty messmen and stationary engineers. The Quebec regional office at Montreal will endeavour to find suitable employment for the latter.

There will be no other schools closed until the middle of May.

EXPORTS OF BEER AND SPIRITS

Mr. JOHNSTON (Bow River):

1. How many gallons of spirits have been sold outside of Canada, (a) to the United States; (b) to the United Kingdom; (c) to others, during each of the years 1939, 1940, 1941, 1942, 1943?

2. How many gallons of beer have been sold outside of Canada, (a) to the United States; (b) to the United Kingdom; (c) to others, during each of the years 1939, 1940, 1941, 1942, 1943?

Mr. MacKINNON (Edmonton West):

1 and 2.

Exports of beer and spirits from Canada during the calendar years 1939 to 1943

Item and country	1939	1940	1941	1942	1943
	Gallons	Gallons	Gallons	Gallons	Gallons
Ale, beer and porter—					
United Kingdom	20	4,827	....	....	....
United States	80,837	81,069	137,323	360,613	2,322,108*
Other countries	94,923	154,770	3,369,911	7,159,738	3,029,045
Totals	175,780	240,666	3,507,234	7,520,351	5,351,153
Gin—					
United Kingdom	....	24,225	499	3,356	716
United States	382	1,911	8,926	5,834	29,273
Other countries	3,870	15,767	83,833	221,067	54,706
Totals	4,252	41,903	93,258	230,257	84,695
Whisky—					
United Kingdom	40,390	44,952	14,933	8,155	3,826
United States	1,376,586	1,595,621	1,625,843	1,673,732	1,685,524
Other countries	56,636	46,885	233,501	484,626	383,861
Totals	1,473,612	1,687,458	1,874,277	2,166,513	2,073,211
Potable spirits, other—					
United Kingdom	....	1,917,868	5,037	....	....
United States	7	12,586	15	6	1,120
Other countries	130	432	5,872	2,547	1,077
Totals	137	1,930,886	10,924	2,553	2,197

*Of the 2,322,108 gallons of beer exported to the United States in 1943 we are informed that at least two-thirds of this amount were re-exported from that country.

MARKETING OF WESTERN GRAIN—PARITY PRICES

Mr. FAIR:

1. How many bushels of, (a) wheat; (b) oats; (c) barley; (d) rye; (e) flax, were marketed each year from 1930 to 1943 inclusive by farmers in the prairie provinces?

2. What was the average price per bushel at the farm for each of the above grains each year from 1930 to 1943 inclusive?

3. What is the net amount received by the farmers of the prairie provinces each year for each kind of grain from 1930 to 1943 inclusive?

4. Using the period 1915 to 1919 as a base for arriving at parity prices at the farm, what amount should have been received by the farmers of the three prairie provinces for each kind of grain each year, 1930 to 1943 inclusive?

Mr. MacKINNON (Edmonton West):

1.	Wheat bu.	Oats bu.	Barley bu.	Rye bu.	Flax bu.
1930	282,714,951	24,979,271	19,466,578	8,082,564	4,412,392
1931	251,842,837	39,601,548	13,596,239	3,752,751	2,233,729
1932	344,636,535	34,509,217	13,825,088	2,594,451	1,732,131
1933	255,506,294	35,508,778	14,638,951	2,615,603	800,644
1934	238,606,445	38,319,655	18,855,656	1,433,837	421,694
1935	234,511,432	31,943,821	13,389,067	2,116,853	932,906
1936	171,075,624	34,520,892	26,261,514	2,242,391	1,391,192
1937	124,298,496	29,537,529	22,870,959	1,880,574	566,347
1938	280,318,934	28,762,837	24,036,360	2,499,865	753,782
1939	397,245,871	35,628,072	25,151,404	5,155,448	1,423,479
1940	346,868,842	34,222,852	19,446,727	4,144,866	2,235,311
1941	324,498,571	36,957,380	28,946,141	6,763,018	4,654,663
1942*	220,454,259	59,989,977	46,754,834	4,680,484	11,252,780
1943*	236,140,985	133,060,506	92,632,387	7,554,566	14,539,745

2.	Wheat	Oats	Barley	Rye	Flax
1930	$0·558	$0·221	$0·195	$0·275	$1·026
1931	0·365	0·156	0·198	0 194	0·749
1932	0·337	0·145	0·201	0·200	0·513
1933	0·444	0·159	0·232	0·335	0·937
1934	0·579	0·241	0·411	0·450	1·193
1935	0·607	0·197	0·255	0·234	1·141
1936	0·822	0·252	0·562	0·438	1·404
1937	1·053	0·378	0·492	0·771	1·496
1938	0·621	0·224	0·282	0·255	1·125
1939	0·536 [2]	0·183	0·266	0·379	1·391
1940	0·526 [1 2]	0·222	0·280	0·346	1·059
1941	0·521 [1 2 3]	0·283 [4]	0·372 [4]	0·401 [4]	1·242 [4]
1942*	0·626 [1]	0·336 [4]	0·440 [4]	0·397 [4]	1·945 [4]
1943*	0·840 [1 2]	0·395 [4 5]	0·497 [4 5]	0·666 [4]	2·135 [4]

3.	Wheat $ 000	Oats $ 000	Barley $ 000	Rye $ 000	Flax $ 000
1930	157,833	5,528	3,798	2,219	4,525
1931	91,842	6,159	2,697	727	1,672
1932	116,125	5,021	2,783	518	888
1933	113,562	5,634	3,403	875	750
1934	138,220	9,249	7,748	645	503
1935	142,443	6,308	3,409	495	1,064
1936	140,651	8,704	14,759	982	1,953
1937	130,864	11,153	11,245	1,450	847
1938	173,968	6,446	6,769	638	848
1939	212,878 [2]	6,526	6,690	1,954	1,980
1940	182,565 [1 2]	7,598	5,447	1,435	2,368
1941	169,186 [1 2 3]	10,467 [4]	10,773 [4]	2,709 [4]	5,783 [4]
1942*	138,098 [1]	20,184 [4]	20,578 [4]	1,860 [4]	21,883 [4]
1943*	198,375 [1 2]	52,593 [4 5]	45,993 [4 5]	5,034 [4]	31,045 [4]

4. Not applicable.

* Preliminary.
1 Payments on participation certificates not included.
2 Prairie farm assistance payments not included.
3 Prairie farm income payments not included.
4 Wheat acreage reduction payments not included.
5 Advance equalization payments included, but final distribution from equalization funds not included.

[Mr. J. A. MacKinnon.]

PERMITS FOR EXPORTS TO JAPAN

Mr. COLDWELL:

How many permits were issued by or on behalf of the government, for the export of each of the following articles to Japan, from September 1, 1939, and on what dates, and for what amounts: asbestos, including asbestos sand and waste; bauxite, alumina and aluminum; cadmium; cobalt, in ore, refined, salts and stellite; copper, in ore, concentrates and refined; ferromanganese; ferrosilicon; lead, in ore, concentrates and refined; nickel, in ore, matte and refined; nickel oxide; zinc, in ore, concentrates and refined; scrap metals of all kinds?

Mr. MacKINNON (Edmonton West):

Date	No. of Permits	Commodity	Weight Tons	Value
1939—				
September	2	Asbestos fibre	213	$ 9,052
October	34	" "	6,490	2,901,487
	3	" crude	28	19,390
November	18	" fibre	4,350½	346,963
	2	" crude	28½	19,950
December	30	" fibre	2,889	216,265
	2	" crude	62	29,800
1940—				
January	17	" fibre	2,082½	110,409
	2	" crude	26½	15,400
February	4	" fibre	405	19,664
March	28	" "	2,738	185,250
	9	" crude	124	65,370
April	13	" fibre	1,532	87,149
May	17	" "	1,426	72,148
	2	" crude	4	2,600
June	11	" fibre	1,342½	93,204
	1	" crude	5½	2,337
July	7	" "	33	19,848
	20	" fibre	2,191	168,142
August	1	" crude	18	10,575
	17	" fibre	2,363	201,825
September	27	" "	3,539	320,606
October	2	" "	500	23,375
November	13	" "	2,379	110,081
December	15	" "	4,270	195,261
1941—				
January	9	" "	1,759	92,832
February	15	" "	2,016	108,415
March	16	" "	2,040	103,580
April	13	" "	1,626	83,428
May	21	" "	2,379	121,365
June	16	" "	2,118	84,827
July	8	" "	1,613	74,759
Exports		Bauxite	Nil	Nil
Exports		Alumina	Nil	Nil
1939—				
October	5	Aluminum	1,116	1,028,696
November	8	"	1,380	378,700
1940—				
January	9	"	1,897	892,900
February	1	"		45
March	1	"	23 lbs.	25
Exports		Cadmium	Nil	Nil

Date	No. of Permits	Commodity	Weight Tons	Value
1939—				
October	2	Cobalt concentrates	66	$ 19,087
November	4	" "	178	39,900
December	4	" "	187	39,800
1940—				
January	3	" "	122	25,600
February	1	" "	40	8,500
March	1	" "	40	8,800
May	2	" "	100	23,400
June	2	" "	105	22,700
July	1	" "	55	13,000
Exports		Cobalt refined	Nil	Nil
1939—				
October	2	Cobalt salts	6	17,273
November	1	" "	1	4,500
1940—				
February	3	" "	2	7,577
March	2	" "	1,600 lbs.	3,180
April	6	" "	3	10,992
May	4	" "	4	14,483
June	4	" "	2	8,685
Exports		Stellite	Nil	Nil
Exports		Copper in ore	Nil	Nil
1939—				
October	3	Copper concentrates	5,500	216,144
November	5	" "	6,300	412,500
December	2	" "	3,500	231,000
1940—				
January	2	" "	3,000	200,000
February	2	" "	3,500	229,031
March	2	" "	4,100	271,886
April	4	" "	6,650	453,108
May	5	" "	8,025	524,832
June	3	" "	3,860	254,740
July	4	" "	8,600	520,905
August	2	" "	3,540	210,276
September	2	" "	3,050	232,483
October	1	" "	1,515	48,280
1939—				
October	5	Copper refined	2,153	569,495
November	6	" "	665	153,502
1940—				
February	3	" "	203	48,990
Exports		Ferromanganese	Nil	Nil
Exports		Ferrosilicon	Nil	Nil
Exports		Lead in ore	Nil	Nil
Exports		Lead concentrates	Nil	Nil

Date	No. of Permits	Commodity	Weight Tons	Value
1939—				
October	2	Lead refined	3,350	$ 326,769
November	6	" "	8,315	749,512
December	4	" "	2,775	274,379
1940—				
January	3	" "	3,400	328,774
February	3	" "	2,333	225,434
March	2	" "	2,044	177,677
April	1	" "	326	28,400
May	1	" "	450	35,100
July	1	" "	1,500	108,000
August	1	" "	4,000	258,000
September	3	" "	5,062	337,040
Exports		Nickel in ore	Nil	Nil
Exports		Nickel Matte	Nil	Nil
1939—				
September	1	Nickel refined	962	743,000
October	2	" "	729	614,000
November	2	" "	800	617,000
December	1	" "	400	308,880
1940—				
January	1	" "	435	335,907
Exports		Nickel oxide	Nil	Nil
Exports		Zinc in ore	Nil	Nil
Exports		Zinc concentrates	Nil	Nil
1939				
November	1	Zinc dross	50	3,000
1940				
January	11	" "	500	39,750
1939—				
December	1	Zinc refined	25	2,500
1939—				
October	3	Scrap metals all kinds	45	9,563
November	7	" " " "	940	20,800
December	4	" " " "	55	17,462
1940—				
January	3	" " " "	80	9,565
June	2	" " " "	1,028	20,348

BOUCHARD, STE. THERESE, AND NOBEL DEFENCE INDUSTRIES PLANTS

Mr. BERTRAND (Terrebonne):

1. Is there an employee by the name of Hazelton in the Defence Industries plant at Bouchard, Ste. Thérèse?
2. If so, how long has he been in the employ of the D.I.L. at Bouchard?
3. What positions has he held since his arrival at Bouchard?
4. What are his present occupation and salary?
5. Before his arrival at the Defence Industries, what was his occupation, and what was his salary?
6. Was he sent to the Nobel plant of Defence Industries for the purpose of selecting labour and, if so, at what dates?

Mr. CHEVRIER:

1. Yes.
2. Since the plant was put in operation. Mr. Hazelton was transferred to the Bouchard plant from the engineering department of Defence Industries Limited, Montreal, on a full time basis October 1, 1941.
3. As works engineer—from October 1, 1941, to April 13, 1942; As production superintendent—from April 13, 1942, to present.
4. (a) Production superintendent; (b) $500 per month.
5. (a) Engineer, Department of Justice, Engineering Division, Penitentiaries Branch, Winnipeg, Manitoba. (b) Salary—no information.
6. No.

Mr. BERTRAND (Terrebonne):

1. Did the Defence Industries Limited, at Bouchard, Ste. Thérèse, delegate any officials to its Nobel plant for the purpose of recruiting labour?
2. If so, what are the names of the persons so delegated?

Mr. CHEVRIER:

1. No labour was recruited from the Nobel plant but certain staff transfers were made from the Nobel to the Bouchard plant as the result of a survey made at Nobel by W. S. Miller, works manager of the Bouchard plant. The transfer involved the following staff:

(a) Six experienced graduate engineers to fill positions in the newly formed technical department, the formation of which had been planned several months ago but had been delayed due to lack of staff.

(b) Two experienced graduate engineers to fill existing vacancies caused, in one case, by resignation of the incumbent to rejoin his previous employer and in the other case, by plant expansion.

(c) Twelve clerical employees, experienced in Defence Industries Limited systems and the nature of whose duties at Nobel fitted them for immediate service at Bouchard.

2. Answered by No. 1.

[Mr. J. A. MacKinnon.]

WHEAT DELIVERY PERMIT BOOKS

Mr. FAIR:

How many wheat delivery permit books were taken out at, (a) wheat pool elevators; (b) line company elevators, in each of the prairie provinces in 1942 and 1943?

Mr. MacKINNON (Edmonton West): (a) Pool elevators: 1942-43, 81,895; 1943-44 to date, 82,724. (b) Line company elevators: 1942-43, 124,232; 1943-44 to date, 121,888. N.B. "Line company elevators" include certain small companies. The United Grain Growers Company, Limited, is not included in the above.

LABOUR CONDITIONS—EQUAL WAGES TO MEN AND WOMEN

Mrs. NIELSEN:

In the data collected by the national war labour board on wage rates, at various times and in various ways—1. How many industrial establishments in Canada employing more than one hundred workers each have been shown to be paying equal wages to men and women on similar jobs?

2. How many women, in total, are employed in these establishments paying equal wages to men and women for equal work?

Mr. MARTIN: Mr. Speaker, I have spoken to the hon. member about this question and I think she is disposed to have it dropped for rewording.

Question dropped.

AIRCRAFT REPAIR LIMITED, EDMONTON

Mr. QUELCH:

1. What is the total amount of capital assistance granted by the federal government to Aircraft Repair Limited, Edmonton, Alberta?
2. What is the total amount of war contracts let out to this firm by the Department of Munitions and Supply?

Mr. CHEVRIER:

1. No capital assistance has been granted by the federal government to Aircraft Repair Limited, of Edmonton, Alberta. The government built and equipped a plant for overhaul and repair at Edmonton, at a cost of $1,970,787.64. This plant and equipment is wholly owned by the Canadian government. Aircraft Repair Limited have been given a contract for the repair and overhaul of aircraft, and the facilities of this plant have been made available to them to carry out the work.

2. The amount that has been paid to date to Aircraft Repair Limited for work done under the overhaul and repair contract is $10,149,788.01.

The amount of war contracts let to this firm is indeterminable because the amount is not known until the work is completed.

AIR TRAINING PLAN—LIVING-OUT ALLOWANCES

Mr. HANSELL:

1. Is there a blanket rate of living-out allowances granted each rank in all the air training schools under the Commonwealth air training plan in Canada?

2. If so, what are the rates granted each rank, and when were the present rates established?

3. If not, what are the rates granted each rank in each air training school in Canada, and when were these rates established?

Mr. MACMILLAN:

1. Yes.

2. Officers, $1.70 a day effective 1 September, 1939; other ranks—$1.25 a day effective 1 October, 1942.

3. Not applicable.

JAPANESE NATIONALS IN BRITISH COLUMBIA

Mr. ESLING:

Will the Japanese settled by the British Columbia security commission in West Kootenay localities be removed at the conclusion of the war?

Mr. MARTIN: Mr. Speaker, the content of this question involves a matter of future policy in relation to persons of the Japanese race in Canada, on which the government is not in a position to make a declaration at this time.

QUESTIONS PASSED AS ORDERS FOR RETURNS

R.C.A.F.—RETIREMENT OF PERMANENT FORCE OFFICERS

Mr. BENCE:

1. What are the names of the nine permanent force officers of the Royal Canadian Air Force who have been either retired or whose retirements have been authorized since September 10, 1939?

2. What were the, (a) temporary; (b) acting; (c) substantive ranks of the said officers on September 10, 1939?

3. What were the, (a) temporary; (b) acting; (c) substantive ranks of the said officers on the date on which their retirements became or will become effective?

4. On what rank, (a) temporary; (b) acting, or (c) substantive, is the amount of the pension of each officer determined?

5. Were the pension regulations with respect to such retirements complied with as far as granting pension with relation to rank is concerned?

6. What would have been the retirement pension of each officer if he had been retired on September 10, 1939?

7. What is the actual retirement pension of each officer?

8. What is the age of each such officer?

9. How many officers now with the R.C.A.F. of the rank of air commodore and over have attained the age of 50 years?

10. How many of such officers are, (a) of the permanent force; (b) of the auxiliary force; (c) of the special reserve?

LABOUR CONDITIONS—TEXTILE WAGE RATES

Mr. ROSE:

1. Has the national war labour board obtained from selected industrial establishments schedules of wage rates for different occupations in their establishments?

2. From how many primary cotton textile manufacturing establishments were the schedules of wage rates obtained in, (a) Quebec; (b) Ontario?

3. What periods do these textile schedules cover?

4. For each of these establishments, what are the hourly or weekly wage rates, straight time and overtime, reported for each occupation listed in the schedules?

ST. LAWRENCE NORTH SHORE MAIL SERVICE

Mr. DORION:

1. What is the name of the company carrying mail. by airplane, on the north shore of the St. Lawrence river?

2. What places are directly served by such company?

3. What amount is received from the Post Office Department by that company for such service?

4. Has the company the right to carry passengers while carrying mail?

5. What is the schedule of such service?

6. What post offices are being served by dropping mail from the air?

7. (a) What are the landing places of the plane carrying mail; (b) what post offices are served directly from these places?

Mr. MULOCK: Return tabled.

CANADIAN SYNTHETIC RUBBER LIMITED

Mr. DOUGLAS (Weyburn):

1. Who are the directors of Canadian Synthetic Rubber Limited, and what remuneration do they receive?

2. In the case of each of those named in answer to question (1), with what other firms or corporations are they now employed, and of what other firms or corporations are they directors or officers?

3. Who are the owners of Canadian Synthetic Rubber Limited?

LAKEHEAD TERMINAL ELEVATORS

Mr. ROSS (St. Paul's):

1. How many grain elevators have been constructed, or additions made to existing elevators in Fort William and Port Arthur area since the outbreak of war, (a) by the government; (b) by private interests?

2. What is the capacity of each new construction?

3. What was the cost in each case?

4. Under whose control or administration does each additional elevator come?

5. Has the government, or the board of grain commissioners leased any government-owned elevators at Fort William or Port Arthur to private interests since July 31, 1939? If so, on what terms?

6. What conditions, if any, have been made permitting a private owner to write off as depreciation during war period the cost of extensions to existing plant, or cost of a new plant, and what are the names of persons or companies receiving such privileges?

CANADIAN FORCES—CANNED FISH

Mr. DOUGLAS (Queens):

1. How many cases of canned fish were supplied to the Canadian armed forces in the year 1943?

2. How many cases of each variety, and at what price per case?

3. What was the total cost of same?

WAR EXCHANGE TAX

Mr. TUCKER:

1. How much income has been received from the war exchange tax in each year since it was imposed?

2. What imports, if any, are exempt from said tax?

3. Is a licence or permission necessary to mport goods into Canada or to pay for same?

4. Is the war exchange tax still necessary to conserve our foreign exchange position?

5. Will consideration be given to the removal of this tax?

PRINCE EDWARD ISLAND

COMMUNICATIONS WITH MAINLAND—CAR FERRY SERVICE—LOSS OF SS. "CHARLOTTETOWN"

On the orders of the day:

Mr. GORDON GRAYDON (Leader of the Opposition): Mr. Speaker, I want to call attention to a major emergency with respect to the tie-up in water transportation between Prince Edward Island and the mainland, and to seek information from the Minister of Transport in connection therewith. I have already given the minister a copy of the question to enable him to answer me to-day if possible.

I am informed that hundreds of cars of freight, mainly farm products, are awaiting transfer out of Prince Edward Island, and that a great many cars are awaiting transfer into Prince Edward Island. Some of the cars awaiting transfer out of the island are said to be loaded with a special early variety of seed potatoes, and if they are not moved it will mean a loss of approximately $500 per car. Added to this I am told that the seed is needed very badly at once in other parts of Canada. During this season the Prince Edward Island ferry service has suffered serious and continuous interruptions of service, to the point that at least one prominent public man in the province has declared that hundreds of thousands, perhaps millions of dollars, were due that province by reason of transportation tie-ups.

Some hon. MEMBERS: Order.

Mr. GRANT: Go ahead.

Mr. HANSON (York-Sunbury): The leader of the opposition is allowed a little leeway.

Mr. GRAYDON: I may say, Mr. Speaker, that I debated with myself whether I should bring this up on a motion to adjourn the house. The situation is very serious, and I see there is some support from the other side. I am just coming to my question. What steps is the government taking to meet this emergency?

Hon. J. E. MICHAUD (Minister of Transport): Mr. Speaker, the hon. leader of the opposition was kind enough to send me advance notice of the question. It is true that on account of severe weather and ice conditions it has been difficult to maintain regular ferry communications across the strait of Northumberland with the only combined ice breaker and car ferry that we have at our disposal. During the latter part of January and for the better part of February it has been very difficult to maintain regular operation of the service. On some days it has taken between twelve and fourteen hours to make a single crossing of nine miles. However, lately conditions have changed for the better, and I am informed that yesterday there were twelve crossings between Cape Tormentine and the island and eleven crossings the day before. To relieve the situation with respect to the potatoes it has been decided to transfer merchandise from box cars to refrigerator cars at Cape Tormentine, thus adding to the supply of cars available for the winter shipment of potatoes. Until ice conditions are improved it is impossible to remedy the situation because there is only one combined ice breaker and car ferry in the whole service. When there is a change in the weather and ice conditions we will transfer one other car ferry from another section of the maritimes to help relieve the situation between Cape Tormentine and Prince Edward Island.

Mr. GRAYDON: Is it not true that last fall representations were made to the government by officials in the island asking that a ferry or ice breaker be transferred from some other

part of Canada to operate in the Prince Edward Island service to avoid the very situation which has developed?

Mr. MICHAUD: In the whole service there is only one combined ice breaker and car ferry. The possibility of using ice breakers to help open the channel for the Prince Edward Island ferry has been suggested, but the engineers have reported that it would be useless, because the *Prince Edward Island* is just as good as any other ice breaker that could be used in that locality.

Mr. LECLERC: How many cars can that ferry take on each trip?

Mr. MICHAUD: The ferry would take twelve cars, I think.

Mr. GRAYDON: Last week 500 cars were supposed to have been tied up.

Hon. R. B. HANSON (York-Sunbury): I desire to direct a question to the Minister of Transport of which I have given him notice. A press report from Halifax, under date of March 20, indicates that the inquiry into the loss of the car ferry *Charlottetown* off Nova Scotia in 1941 is to be reopened. Is the report correct, and if so, what is the reason for this action? Has any new evidence been made available?

Mr. MICHAUD: A rehearing of the inquiry is to take place on petition of the captain of the former *Charlottetown,* as authorized under section 569 of the Canada Shipping Act. In the petition it is stated that new and important evidence which it had been impossible to disclose at the first inquiry has been discovered, and that the captain felt that on that account a miscarriage of justice had taken place with respect to himself.

Mr. HANSON (York-Sunbury): Is the captain not asking for an increase in his pension? Is that not the main objective?

Mr. MICHAUD: I do not know what is the objective. I can only judge by what is stated in the petition.

BOMBING OF ROME

REQUEST FOR STATEMENT OF GOVERNMENT POLICY

On the orders of the day:

Mr. FREDERIC DORION (Charlevoix-Saguenay): Considering the decision taken by our enemies to declare Rome an open city as reported to-day in a Canadian Press dispatch, does the government intend to give instructions to our forces in Italy to spare Rome from any attack on land or from the air?

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, my hon. friend gave me notice of his question. As it is one which refers to a matter that is being commented on in the press, perhaps I might be permitted to answer it.

Some hon. MEMBERS: Oh, oh.

Mr. MACKENZIE KING: What I am saying is that my hon. friend was kind enough to give me notice of the question, and inasmuch as the subject may become one of discussion it might be treated as a question which should be answered at the moment.

I would direct the hon. member's attention to the fact that his question is based on what he states is a decision of our enemies. I do not know what credence can be attached to an announcement of any decision, by our enemies. I doubt the wisdom of making any statement based on such an announcement. I have no information whatever other than what has appeared in the press as to the alleged intention of the Germans to remove their military forces and installations from Rome. Whether that statement has been put out as an advertisement for our enemies or an evidence of their kindness of heart and deep religious feeling, I cannot say. I would say however, that I do not think it is advisable at this time to make any statement whatever in reference to what they are alleged to have said.

PARLIAMENTARY RESTAURANT

STAFF—STATEMENT ON BEHALF OF JOINT COMMITTEE AS TO CONDITIONS OF EMPLOYMENT

On the orders of the day:

Mr. R. W. MAYHEW (Victoria, B.C.): Mr. Speaker, I desire to make a statement on behalf of the joint committee on the parliamentary restaurant with respect to certain assertions made in local newspapers of recent date. The public must not be led to believe that the whole staff is kept on and paid when the house is not in session and the restaurant is closed. There are in that place employees doing a kind of work which requires experience and special qualifications. A competent manager and chef cannot be found and are not efficient unless they are given continuous employment. They will not accept positions for five months of the year.

There is something to do in the restaurant after the session, such as inventories, repairs and the settlement of accounts, et cetera, which necessitates the employment of a couple of clerks. The manager has kept two and sometimes three persons for that purpose. It is a small proportion when we consider that there is a staff of fifty employees for the service of the kitchen, main dining-room and cafeteria.

The joint committee on the restaurant held meetings on March 4, 8 and 21 and is exercising close supervision on the management. A subcommittee has been appointed to inquire into conditions and report as soon as possible. The committee realizes that the restaurant is a necessity in our parliamentary life and must be managed economically. A serious effort is being made to reduce the expenses without impairing the service.

A strong protest ought to be raised against insinuations that there is something wrong with bookkeeping in the restaurant, that members are not paying their bills regularly. The last report, received this week, shows that the outstanding accounts receivable amounted to only $7.40.

The allegation that the restaurant operates with a profit of $11,000 during the session, wasted by paying salaries during recess, is inaccurate, because it is based on a partial financial statement covering only a part of the year and does not show the actual receipts and expenses for the year 1943-44 which will only be completed at the end of this month.

TUBERCULOSIS

LABOUR SHORTAGE IN SANATORIA IN ONTARIO

Hon. HUMPHREY MITCHELL (Minister of Labour): Mr. Speaker, I would like, with your permission to answer questions of the hon. member for Parkdale (Mr. Bruce) with reference to staff help for sanatoria, as reported in *Hansard* on March 16, at page 1514:

The hon. member merely mentioned two sanatoria. I later learned he was referring to the sanatoria at Weston and Gravenhurst.

Some weeks ago, national selective service was notified that an expansion in services was to take place at both Weston and Gravenhurst and that an additional number of nurses and sub-staff would be needed. Our officers called at these sanatoria and secured detailed information concerning the number needed in the professional and non-professional classifications for the immediate and longer range staff requirements.

Later, a meeting was held and attended by representatives of the registered nurses' association, provincial department of health, the management of the sanatoria and selective service to plan for the special efforts which would be required to meet the need. The nurses' association was to assist in securing nurses; the sanatoria were to make certain adjustments in conditions of employment in order to make the employment more acceptable; selective service was to secure sub-staff and to canvass the registration of nurses on file in the local office; special publicity was to be undertaken.

I have received the following report on the Weston and Gravenhurst sanatoria, for the period January 15 to March 18:

Weston

Orders placed for men	20
Referrals to work	16
Orders placed for women	39
Referrals to work	26
Orders placed for nurses	30
Referrals to work	16

Additional nurses were secured from the nurses' registry. Remaining requirements to allow for full expansion are for 30 nurses and 12 men and 32 women for substaff.

Gravenhurst

Orders placed for men	12
Placements in work	11
Orders placed for women	21
Placements in work	16

Remaining requirements to allow for full expansion are for 18 nurses, ten of whom might be practical nurses, and 24 men and women for substaff.

I should like to take this opportunity to express my appreciation of the willingness of these institutions to make use of voluntary and employed nurses and substaff on a part-time basis. Unfortunately the sanatoria cannot, for reasons beyond their control, accept many part-time workers.

One of the most important and most difficult tasks of national selective service has been to meet the staff requirements of hospitals and institutions of a like character. This situation is not peculiar to Canada. It is also one of the most severe problems in Great Britain and the United States. At the present moment, notwithstanding the calls for the army, the navy and the air force, more help is engaged in the care of the sick in institutions—hospitals, sanatoria and the like—than ever before in the history of this country. That, I think, is an indication of the interest taken by the government in supplying this very necessary help. I should like to quote these figures for the record:

Student Nurses Enrolled in Hospitals	
1939	8,500
1944	11,300

Graduate Nurses Employed in General Hospitals	
1939	10,837
1944	14,100..

This number of graduate nurses does not include supervisory nursing personnel.

Mr. GRAYDON: Has the minister also the figures as to the number of patients at the same periods?

Mr. MITCHELL: I can get them for my hon. friend if he requires them. But I do not bother about the patients; I bother about the help.

Mr. GRAYDON: After all, the help has to bother about the patients.

Mr. MITCHELL: My hon. friend will understand that my chief job is to find the help. No doubt the Minister of Pensions and National Health could give my hon. friend the number of patients.

Mr. GRAYDON: I think the minister missed my point. My inquiry was whether the number of patients had risen or not; because the rise in the number of employees could not be regarded in the same light if the number of patients has risen correspondingly.

Mr. MITCHELL: Speaking offhand and from my own experience as governor of a hospital in Hamilton for a good many years, I would say there has been a considerable increase in the number of patients being treated.

Mr. GRAYDON: The minister will get the figures?

Mr. MITCHELL: I will try to get the figures.

Hospitals have been given highest labour priority rating and instructions sent to local selective service and employment offices to give immediate consideration to all orders from these institutions and to appoint one or more members of the staff to deal with hospital requirements. Hospitals also have the right to advertise for help and to interview applicants directly.

In several centres special recruiting campaigns have been conducted in order to secure full and part-time workers at times when shortages became acute.

It will be recognized that certain conditions of employment regarding hours, salaries and the type of work, make it difficult for selective service to recruit workers for hospitals at a time when other lines of employment offer much greater inducement. We have appreciated the efforts many hospitals have made to improve conditions of employment and thus assist in the recruitment of employees.

It has been pointed out to me that it is more difficult to secure help for tubercular sanatoria than for general hospitals. The situation in Toronto bears out this statement. The general hospitals in that area are quite well supplied with staff. Statements from Mr. A. J. Swanson, president, Toronto hospital council, and Mr. R. W. Longmore, assistant superintendent, Toronto general hospital, as published in the Toronto press on March 16 corroborate these reports from selective service officers.

CANCER RESEARCH

APPLICATION OF DOCTOR DAVIDSON FOR FINANCIAL ASSISTANCE

On the orders of the day:

Mr. HARRY LEADER (Portage la Prairie): Before the orders of the day are proceeded with I should like to direct a question to the Minister of Pensions and National Health. I hold in my hand a telegram, signed by Doctor J. R. Davidson of Winnipeg, which conveys the information that his application for financial aid to further his efforts in cancer research has been refused. Does the government concur in the decision rendered by the associate committee on medical research? If not, will the government sponsor a more comprehensive investigation?

Hon. IAN A. MACKENZIE (Minister of Pensions and National Health): I have been unofficially informed that the report of the associate committee on medical research of the national research council did make an unfavourable report in regard to the case mentioned by my hon. friend. The committee does not submit its report to me, inasmuch as it is a committee of the national research council, and therefore I have not seen the report. Until I have seen it I am not in a position to answer the second part of the question.

CANADIAN ARMY

REVERSION OF ACTIVE SERVICE OFFICERS TO RESERVE FORCE STATUS

On the orders of the day:

Mr. H. C. GREEN (Vancouver South): I wish to direct a question to the Minister of National Defence. In Pacific coast papers reaching here yesterday there are dispatches

to the effect that five hundred officers of the Canadian active army within the Pacific command are being reverted in small groups to reserve force status, which means that they are being discharged from the active army. The dispatches state that these officers are receiving letters informing them of recommendations for their reversion, and they are asked to furnish a statement within fourteen days setting forth reasons why they should not be so reverted. Further, it is stated, if the officer does not wish to submit reasons why he should not be reverted he is asked to sign the following statement:

I do not wish to make any statement against the recommendation that I cease to be on active service (returned to reserve force status).

Will the minister tell us whether or not these dispatches are correct and, if so, what provision is being made for giving these officers rehabilitation grants and any other allowances that would be given if they were discharged in the ordinary way.

Hon. J. L. RALSTON (Minister of National Defence): I do not think that on the orders of the day it is proper to submit a question which deals with the whole matter of procedure with regard to the reversion of officers to reserve status. If the hon. gentleman asks me how many officers are being reverted, I will endeavour to get that information. I make these observations now because, I submit, this question is quite out of order. What I should have to do would be to put on the record the full procedure with regard to the return of officers to reserve status. This newspaper report deals with some features of it, and I do not think my hon. friend has any objection to them—

Mr. GREEN: Mr. Speaker—

Mr. RALSTON: Just a moment, please. I do not know why he is including them in his question.

Mr. GREEN: The reason why I am asking the question on the orders of the day is that these men have only fourteen days within which to answer the letter. I do not know whether the report is correct and I would ask the minister to tell us the facts. If he cannot do so to-day, to-morrow will be satisfactory.

Mr. RALSTON: That is my point. I find that what my hon. friend wants to know is whether that length of time is the time given under the regulations. He will find in *Hansard*, at pages 437 and 566, a full statement with regard to the matter; but in view of the fact that he has seen fit to put on the record a dispatch appearing in the papers purporting to state the detailed procedure which is not complete, I prefer to answer the question to-morrow.

[Mr. Green.]

MAPLE PRODUCTS

RATIONING—USE FOR PRESERVING PURPOSES

On the orders of the day:

Hon. H. A. BRUCE (Parkdale): May I direct a question to the Acting Minister of Finance, of which I have given him notice? Will the minister consider the immediate removal of the restrictions on the purchase of maple syrup and maple sugar so that the ration coupons will not be necessary, since they will be urgently needed later on for preserving purposes, the limitation of which would seriously interfere with an essential food product?

Hon. J. L. RALSTON (Acting Minister of Finance): I will treat the question as a notice.

PENSIONS

WIDOWS OF VETERANS OF FIRST WORLD WAR

On the orders of the day:

Mr. S. H. KNOWLES (Winnipeg North Centre): In view of the representations made last week to the Minister of Pensions and National Health by the national executive of the association of non-pensioned widows of veterans of the last war, may I ask the minister if consideration is being given to a further revision of the regulations under which, in certain cases, allowances are paid to these widows? If so, may we expect an announcement soon?

Mr. SPEAKER: The question will be taken as notice.

HOUSE OF COMMONS

RIGHT OF PRIVATE MEMBERS TO APPEAR BEFORE WAR EXPENDITURES COMMITTEE

On the orders of the day:

Mr. T. L. CHURCH (Broadview): I wish to call the attention of the house to the rights of a private member before a select committee. Some years ago, when the committee on railways and shipping was set up, it was decided by the rules of the house and as a matter of principle that a private member, not a member of the committee, could appear before the committee and ask questions with reference to any matter in which he was interested. On that principle I would like to ask either you, sir,—I have not given you notice of the question and I would ask your pardon for the omission—or the chairman of the war expenditures committee, this question: Will the principle I have enunciated regarding the select committee mentioned apply to the war expenditures committee? After all, the

house as a whole is responsible for these war expenditures. We are being held responsible, and as private members we should have the right therefore to appear before the committee and ask questions. May I ask further when any of the reports of the committee will be presented—this is the thirty-sixth day now—so that it can be discussed. I would ask the chairman of the war expenditures committee that question, or I would ask any member of the government, or have this taken as notice of a question.

Mr. SPEAKER: I do not know whether the hon. member is asking me a question with regard to procedure. If so, I am not in a position to advise him at the moment. When his question appears in *Hansard* I shall read it and if it is proper for me to do so I shall answer it.

Mr. CHURCH: Might I point out, sir, with great respect that you are the custodian of the rights and privileges of members. I would like to have some reply therefore, either to-morrow or the next day.

Mr. SPEAKER: If I understand the hon. member correctly, he is asking me to reply to a question with regard to the proceedings of a committee. I know of no method by which that can be done, and I cannot advise him from the Chair unless the matter with which he is dealing comes before me in proper form.

Mr. CHURCH: The committee should be abolished.

WAR APPROPRIATION BILL

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

The house resumed from Tuesday, March 21, consideration in committee of a resolution to grant to His Majesty certain sums of money for the carrying out of measures consequent upon the existence of a state of war —Mr. Ilsley—Mr. Bradette in the chair.

DEPARTMENT OF MUNITIONS AND SUPPLY

Mr. LIONEL CHEVRIER (Parliamentary Assistant to the Minister of Munitions and Supply): I should like this afternoon, with the permission of the committee, to deal with two subject matters which have to do with the war appropriation bill, which we are discussing at the moment. The first relates to the purchasing policy of the Department of Munitions and Supply, and the second to the renegotiation of contracts.

Before I go on to these I may be permitted, Mr. Chairman, to express to the hon. member for Greenwood (Mr. Massey) the pleasure of the committee in his return to our midst. He has just come back from important duties overseas, and I know I express the feelings of the committee when I say that we are all delighted to find him in such excellent health.

(Translation): Mr. Chairman, I am happy to welcome back the hon. member for Richelieu-Verchères (Mr. Cardin) whom I see occupying his seat. Some time ago, the house expressed sympathy in the deep loss which he experienced; to-day, we are happy to see him in good health and so well recovered.

(Text) Last year when I was reporting on the purchasing policy of the Department of Munitions and Supply I referred to the manner in which contracts were awarded in the department, the methods adopted to reduce costs and control profits, the controls exercised over munitions contracts generally, and the reduction in prices consequent upon these controls. At that time I emphasized the fact that the department sought always to obtain fixed prices. The department was interested in asking for tenders in order that competitive bidding might be set up, and by that method contracts obtained of a fixed price type. The department then felt, and still feels, that the cheapest method of obtaining production, from the standpoint both of costs and of profits, is through negotiation of short term contracts on a fixed price basis. I gave the reasons for that at the time: First, because many of those contracts were for equipment never made before in this country. Obviously in such cases it was impossible to obtain fixed prices until production was well under way. Second, because of the frequent changes in the design of equipment while it was in production; and third, because the department is not always able to obtain full, accurate and up-to-date knowledge of the contractor's costs. For these and other reasons it is not always possible to obtain fixed prices; hence we have to get variations and modifications, such as the ceiling price, the contract price, the cost plus percentage, and the unit fee arrangement. I said that these were temporary devices only which were being used pending the day when it would be found possible to negotiate fixed price contracts. I explained how, because of the checks and controls exercised on costs, it was possible to make substantial reduction in prices. I am happy to report to-day that in the department we have made much progress towards fixed price contracts, and away from variations and modifications of them.

In the Department of Munitions and Supply there are five large purchasing branches. These, of course, are not all-inclusive; but in these five branches the vast majority of war equipment is purchased through the channels of Munitions and Supply. These five branches are: (1) the general purchasing branch; (2) the defence projects construction branch; (3) the munitions contracts branch; (4) the aircraft division, and (5) the shipbuilding division.

The general purchasing branch has to do with general purchases, such as the purchases of personal equipment, medical stores, food supplies, miscellaneous goods of that type. With but very few exceptions all the purchases in that branch are on the fixed price basis. I believe I am safe in saying that over ninety-nine per cent of the purchases made in the general purchasing branch are for fixed prices.

The same thing can be said of all contracts awarded in recent months by the defence projects construction branch. I hold in my hand a report from that branch which shows the comparison of cost plus contracts to total contracts awarded there and their value, from the first quarter of 1940 to the last quarter of 1943. During the four quarters of 1942 the percentage of cost plus contracts to the total was thirty-two per cent, and during the four quarters of 1943 the percentage of cost plus contracts to the total was 9·75 per cent, a substantial reduction.

The automotive contracts have now been converted entirely to fixed prices. The committee will remember that last year when I reported I stated that most of these contracts were on the ceiling price basis. To-day I am able to report that practically all contracts with the automotive companies are on the fixed price basis. The same conversion to fixed prices obtains in the munitions contracts branch where our knowledge of costs and manufacturing technique has enabled us to change over in great part.

A report covering this branch, which I have before me and which is as at January 31, 1944, shows that of a total of 15,267 contracts granted in this branch only 8·94 per cent were on a cost plus contracts basis. During the year 1943 of a total amount of contracts of $1,200,000,000, the estimated value of cost plus contracts was $379,825,806. The same position does not obtain in the aircraft division. It is not possible to put aircraft contracts on the fixed price basis, because of the constant and everlasting change in design. There is no known way of determining the efficiency of aircraft except by use in combat; hence we must ask our manufacturers to make frequent changes in design of equipment. For these reasons aircraft contracts must be on the cost plus basis, and they will in all probability remain that way.

Changes with reference to ship contracts have also had to be made. Originally, as the committee knows—

Mr. DIEFENBAKER: Would the hon. member permit a question?

Mr. CHEVRIER: Yes.

Mr. DIEFENBAKER: What is the basis of the cost plus in the production of aircraft? What is the percentage of profit allowed to the operating companies?

Mr. CHEVRIER: I must say I have not the facts before me. I have not a report of that branch as I have of the other branches, but I shall be glad to get my hon. friend an answer.

I was saying that originally all ship contracts were let at fixed prices with allowances for wage and freight differentials all across the country. It was found, however, that there were wide differences in the efficiencies of the yards for a variety of reasons. Accordingly a price on which one yard might make a slight profit or another might sustain a loss might yield an undue profit to a third yard.

Apart from this, our engineers were faced with a constant stream of extras and modifications to original designs, and the problems of adjusting prices to cover these changes became involved and difficult. Accordingly, it was decided late in 1942 to readjust all contracts from a certain date either to cost plus a fixed fee or to a basis of cost plus a fixed fee per ship, plus a bonus for reduction of cost below a target. The fixed-fee plan no doubt penalized the two or three yards of highest efficiency, but the view was taken that looking at their operations as a whole, their efficiency had been given due but not excessive recognition. The committee will realize that placing ships on the basis of cost plus a fixed fee, plus a bonus for reducing costs below a target, is the next best thing to a fixed price contract, in that it preserves an incentive to cost reduction even if in a modified form.

The checks and controls which we have exercised over contracts have a marked effect on prices. I am able to report that on a number of articles prices have been reduced substantially. Here are a few examples taken at random:

		Price reduced From	To
1.	3·7-inch A.A. gun barrels—forging	$ 1,650 00	$ 850 00
2.	3·7-inch A.A. gun barrels—machining	1,733 00	290 00
3.	Bren machine gun	230 00	160 00
4.	Bren magazine 100 rounds	38 58	13 38
5.	No. 4 rifle	62 30	32 00
6.	25-pdr. gun and carriage	21,288 31	9,075 11
7.	40-mm. H.E. shell (empty round)	4 12	2 10
8.	75-mm. H.E. shell (empty round)	5 69	4 67
9.	3·7-inch A.A. shell (empty round)	15 08	9 66
10.	5·5-inch how. shell (empty round)	22 45	11 78

Item 3.—Bren machine gun. Figures shown were taken as at December, 1941, and December, 1943. Cost at December, 1942, was $195.

Item 6.—25-pdr. gun. Figures shown are production costs and were taken as at January, 1942, and September, 1943. Figure as at September, 1942, was $14,398.78.

On the whole, the purchasing policy of the department has been carried out along sound businesslike lines. It has led to substantial reductions in the prices of war materiel.

Let me for a moment turn to another angle of this policy. We have heard a lot about the Labour government in Australia. We have been told frequently in this house and outside that the policies of the party led by the hon. member for Rosetown-Biggar are similar to those governing the commonwealth of Australia.

Mr. MacNICOL: But that is not a fact.

Mr. CHEVRIER: I think the hon. member for Rosetown-Biggar says it is a fact. I do not believe I am misquoting him when I say that. In any event I should like to examine for a moment the purchasing methods adopted in the commonwealth in order to see how they deal with contractors and manufacturers.

Some months ago, I believe it was in June, 1943, the government of Australia set up a contracts advisory panel. It was created to investigate the cost plus profit system of the commonwealth contracts. The report has recently been published and its recommendations have been adopted by the government, as announced in a statement by Prime Minister Curtin in November of 1943. An examination of this report will show that the purchasing methods of the commonwealth are similar to ours and, in fact, in many instances, they are much more generous to the manufacturer than we in Canada are.

The report contains three outstanding features: the cost plus profit contract, the target price contract, and the fixed price contract.

It recommends that the cost plus system whilst essential during the initial period of great urgency and cost uncertainty, should be abandoned in favour of fixed price contracts for all items for which an opportunity has been given of establishing costs. Let us examine these three features:

1. On a cost plus profit contract:

The Australians have decided the profit should be 2½ per cent on materials plus 7½ per cent on labour and overhead. This averages about 5·6 per cent in ordinary run of war materiel.

In Canada, our view is that on ordinary cost plus contracts the profit should be 5 per cent, with something better in exceptional cases where unusual skill or services are provided, and somewhat less where production is of a very routine character.

This relates only to the manufacture of items in which materials employed are purchased. It does not apply in the case of, say, a mining company which produces everything from the underground operation through the extraction, refining and working up into a highly finished production.

In the management of government-owned plants such as, for instance, Defence Industries Limited, Canadian Car Munitions, the fee is very much less.

2. Target price:

Our usual basis on a target price contract is cost plus a 5 per cent fixed fee plus 25 per cent of the saving below the target—although we have some in which a lesser percentage is allowed and a very few in which a graded profit sharing allowance in excess of 25 per cent is provided. In Australia, they use a 4 per cent fixed fee, plus a graded scale as follows:

Extent of saving on target cost	Contractor Per cent	Commonwealth Per cent
First 10% below target	20	80
Next 5% below target	33⅓	66⅔
Balance	50	50

Australians give their contractors a lower fee, but a larger participation than we ordinarily grant.

3. Fixed prices:

On fixed prices, the Australians come to the same conclusion as we do, and they strongly recommend that these be used wherever possible.

The Prime Minister of Australia in November of 1943 had this to say on the subject:

> The war cabinet to-day considered the first report submitted by the contracts advisory panel in respect of the cost-plus profit and other methods of contracting. All departments engaged in the purchase of government supplies, or undertaking government works, will be instructed to move away from the cost-plus system of contracting in as many cases as possible.
>
> It was impossible to avoid the adoption of cost-plus contracting in the early stages of the war, because a great proportion of the supplies, particularly of munitions, were entirely new to Australian manufacturers, and it would have been unreasonable to expect contractors to give firm prices. If that had been done, the contractors would quite justifiably have allowed for unknown contingencies, and to the extent to which these failed to occur unduly high profits would have resulted. Now, however, both the buying departments and the suppliers have the experience necessary to determine fair and reasonable prices, and when these have been fixed they will not be disturbed.
>
> I consider that the time has come when the government should secure fixed prices whenever it can, and that the suspicion inherent in all cost-plus profit contracts, that the more a job costs, the more the contractor makes should be removed.
>
> The government realizes, moreover, that even now some classes of work, such as the overhaul of aircraft and the repair of ships, will need to be done on the basis of actual cost, plus some form of remuneration. The remuneration will be based on a percentage of cost only where no better method of determining the profit margin can be fixed.

From this it will be seen that the methods adopted in Australia are very similar to our own, in fact, the Australians are far more generous to the contractor than we in Canada are.

I need hardly add that the Australian purchasing policy is predicated on the assumption that the munitions programme should be carried out by private industry, and that private industry is entitled to a fair and reasonable profit for its effort.

I would suggest to the leader of the C.C.F. party that the similarity between the policies of his party and those of the government of Australia are not as apparent as he would lead us to believe.

I should like to deal for a moment with the subject of renegotiation, but before doing so I should like to table, with the permission of the committee, a manual on termination of contracts. We in the Department of Munitions and Supply have had our attention directed chiefly toward the war programme, but we have realized that there will be a post-war period and with that in mind we have reviewed the termination clauses of our contracts and have set up a procedure in the department which has to do with the claims of contractors and subcontractors. I am sure that this document will be of interest to the members of the committee.

The important thing in the fixed price type of contract is that there should be a sound basis for arriving at a fixed price. A prematurely fixed price based on inadequate data, is just as much a danger to be avoided as a cost plus percentage type.

It sometimes happens that with the best of information as to the costs, the best of intentions and the keenest negotiations, a fixed price ends up by yielding an undue profit to the manufacturer.

Such a profit may be due to the discovery by the manufacturer of some new type of material, or the development of other economies not previously visualized. It may also be due to the subsequent addition of new business from various sources leading to the spreading of the fixed overhead of the business over a much larger volume of output. Whenever this occurs, the department takes the view that the contractor in wartime should be content to give to the taxpayer the greater part of the benefit of the improved techniques, rather than retain them for himself. While the department appreciates the principle of the sanctity of contracts entered into between itself and its contractors, still it realizes that in wartime, there is a responsibility placed upon the minister to protect the taxpayer's money. For this reason, where it is shown that profits are unreasonable, the department renegotiates contracts.

Renegotiation is a retroactive price reduction after the contracts have been let and the goods purchased. This practice may be voluntary or compulsory. Its object is twofold: To lower the costs of war goods, and to prevent unreasonable profits on them.

Where the department becomes aware of an undue profit, and its officers are instructed to be constantly on the watch for such profits, it is the practice of the negotiating officers to seek price adjustments in order to bring the profit down to a fair and reasonable figure. In this regard, however, the view is held that some reasonable share of the products of the efficiency of the contractor should be left with him. In other words, on a renegotiation, whether entirely voluntary or taken on the initiative of the department, it is the practice to allow a reasonably larger profit margin than would be the case on a straight

cost-plus-percentage contract. It is obvious that if this is not done, we would be taking away all incentive to cost reduction and all incentive to the assumption of manufacturing risks. In this connection, the report of the panel which investigated the contract policy of the Commonwealth of Australia has this to say:

> Where the contract is substantial, the order placed should be for a quantity or for a period which will permit a review of the price after reasonable experience; or, alternatively, the order should be for the full quantity required with a condition that the price will be reviewed after the production of a stipulated quantity. The review of the price, however, should not be retrospective. When made, the revised price should not be so reduced as to deprive a contractor of the fruits of his efficiency or of the incentive to further reduce costs.

Two things should be noted here. The first is that renegotiation in Australia is never retroactive; that is to say, it never starts from the original date of the contract but rather from the date of the renegotiation. In Canada it is always retroactive. When we in Canada renegotiatiate a contract, the renegotiation price dates back to the original contract. Hence, on renegotiation also, the Australians are more generous with their contractors than we are. The next point to note is that renegotiation should always take care not to deprive the contractor of the incentive to further reduce costs.

This informal method of renegotiation has proved entirely effective and in no case has it been necessary for us to exercise the powers given by this house in section 13 of the Department of Munitions and Supply Act, to compel a contractor to return profits deemed to be unreasonable. The fact that these powers exists has been an influence in reaching a settlement in some cases, and we anticipate that in some instances we shall have to resort to them. I believe the committee will agree, however, that we should be as careful and as sparing in employing extraordinary measures as we possibly can. In the main we have met with excellent cooperation from the manufacturing community who fully realize the anti-social aspects of excessive profits on war contracts.

It is difficult to draw an exact line between various types of renegotiation. Circumstances vary in the individual instances and in many cases, an over-all readjustment in relation to a company's annual war business is made, even though the contracts for the year may include some cost-plus, some ceiling price, some target price, and some fixed-price contracts. We have made an attempt, however, to estimate the savings arising out of renegotiation of various types and are able to point to a total of $119,107,000, of which $66,691,000 covers instances of direct renegotiation and $52,416,000 arises chiefly out of price adjustments on ceiling price contracts.

These figures are undoubtedly conservative and do not take into account cases in which downward adjustments of prices have been made during the course of a contract, due to the efforts of our negotiating offices or to the voluntary action of the manufacturer concerned.

These figures are not to be compared with the American figures for renegotiating which have been recorded as exceeding the five billion dollar mark. Our whole method of purchasing is different from that of the United States. In that country a great volume of contracts in excess of $100,000 are subject to being renegotiated, but, so far as we can ascertain, very much less attention is paid to the problems of setting the original price than we are accustomed to pay. The United States system appears to rely principally upon the powers of recapture of excessive profits, while in Canada, Australia, and the United Kingdom the attempt is made to arrive at fair prices in the first place and to use the right of recapture very sparingly, as above indicated. It is believed that this is the preferable method because no incentive exists for a manufacturer to cut costs and avoid wastages of materials and labour, if, under renegotiation powers, there will be left with him only the same amount of profit as would be the case were he to adopt a more easy-going attitude as regards cost reduction and cost control.

The problems of purchasing are not simple. They involve the exercise of a great deal of care and discriminating judgment.

One of the main jobs of the Department of Munitions and Supply is to get the maximum possible value for the taxpayer's dollar which involves not only seeing that profits are fair and reasonable, but that costs are driven down in every way possible.

The best proof of the wisdom of our policy is that to-day there exists a group of war contractors who are definitely cost conscious. Their interest in reducing costs is second only to their interest in production.

Since the outset of the war, there are three things which we have sought to do:

1. To secure the maximum of output in the minimum of time.

2. To secure all benefits of modern production and cost reduction technique.

3. To keep profits under strict control.

I do not pretend that we have attained 100 per cent efficiency in all these, but all in all,

we are doing a good job in spending the taxpayer's money. We have tried to negotiate our contracts on a proper business-like basis. We maintain a close check on costs and profits through the audit system. We seek to improve manufacturing technique by daily contact between our production officers and our contractors, and we renegotiate our contracts when there is evidence of undue profit.

Our negotiating officers cannot always be right, but I can assure the house, from my personal knowledge, that there is in the department a group of able and hard-working men attempting honestly and without fear or favor, to administer their responsibilities in a way which should merit the favor of this house.

These men have succeeded in elaborating a purchasing policy that compares favorably with that of any of the united nations. These men are determined to stop war profiteering.

The minister in reporting to the house on Tuesday stated that from the inception, contracts awarded in the department amounted to $9,450,000,000.

With such an unprecedented outlay of public funds, after four and a half years of war, we in Canada have every reason to be proud of the fact that there have been few charges of graft and almost no charges of war profiteering. In the few cases where waste and dishonesty have been discovered, the department has moved quickly and effectively.

The department has one thing in view and that is to maintain a reputation for efficiency and honesty. I submit, sir, that it has established that reputation, and if it has succeeded in doing so, it is due not only to the purchasing methods to which I have referred a moment ago but also to the high and excellent calibre of the men in the department who administer these policies.

Mr. COLDWELL: Mr. Chairman, I think we can all congratulate the hon. member who has just taken his seat upon the clarity with which he has expressed the point of view of the department.

I have not taken very much part in the debates on the war appropriation because the work has been apportioned among the various members of our group and it did not fall to my lot to engage in the discussions earlier. I wish, however, to take this opportunity of saying that I am fully in accord with all the praise which has been given to the men in the armed forces, in the navy, the army, and the air force, and to the men and women who have contributed so largely and generously to Canada's industrial war effort.

[Mr. Chevrier.]

The hon. member for Stormont (Mr. Chevrier) spoke a few moments ago of Australia, and pointed out that from time to time we have had occasion to refer to Australia, New Zealand and the Labour party of Great Britain. He tried to draw some inferences from that regarding support for government policies. But I wish to point out that the government of Australia, under Mr. John Curtin, took office in November or late October, 1941, when the pattern of the war effort and of war contracts was already laid, and therefore that pattern had very largely to be followed no matter what the philosophic point of view of the members of that government happened to be. Besides, Australia had relatively little established industry when this war began compared with the very highly developed industry we had in Canada. Since then Australia, like ourselves, has established many new government owned and operated industries. Indeed, one of them was largely established before the war, the aeroplane industry, which also included, I believe, the manufacture of some aeroplane engines, but I am not sure of that. I do know that some new industries were established by the government as public enterprises, and I have read from time to time that the Australian government is carefully guarding the properties of the Australian people and is determined that when the war ends they shall be used for the production of civilian goods. In that respect the point of view of the Australian government, no matter what it may be as to the immediate question of making contracts, is radically different from the point of view that has been expressed in this house on behalf of the government.

As to generosity in the making of contracts, let me say this. They have a lower management fee and a greater participation, if costs are reduced, in the amount of the surplus attained, and it seems to me that is an incentive which under private business practice any government might well consider. I agree with the hon. member for Stormont that individuals engaged in a public service, whether in the employ of the government or as contractors making an essential commodity for war purposes, whether in public or in private enterprise, are entitled to fair remuneration for the services so rendered, whether in war or peace. I do not dispute that. But I do point out that from time to time concessions are made great industries and corporations which certainly go for beyond that point.

I agree with those who have said that as long as this war lasts we cannot emphasize the production of civilian goods, that we must continue to manufacture to the full extent of

our capacity, war material for the armed forces, and that production of civilian goods may be considered only when all our obligations to the armed services have been met.

When I heard the Minister of Munitions and Supply the other day outlining the work of his department I was struck by the references to the enormous undertakings that Canada has engaged upon since the war began. When we compare what we have done in these four and one-half years of war with the condition of this country in the ten years prior to the war, under both a Conservative government and a Liberal government, we are appalled to think that the country was allowed to drift into the condition in which we knew it economically during the ten dreadful years before the war broke out.

To the end of 1943, for example, we have spent on various phases of the war effort the enormous sum of $10,824 millions, or, as I may refer to it a little later, nearly $11,000 millions. This includes—and I am going to speak in round numbers—$4,000 millions for munitions, $2,750 millions for strategic materials and foodstuffs, $2,250 millions in production of material and equipment for Canada's armed forces at home and abroad, $1,500 millions in Canada for capital assistance to industry and defence construction. I take these figures as at December, 1943, from the government publication entitled "Canada at War." Almost $11,000 millions have been expended in war material, war industries, and other facilities and equipment of all kinds in connection with our war effort. Much of this has been destroyed or worn out, but many assets remain and will remain when the war ends.

As I say, although our concentration must be upon the conduct of the war, yet the pattern of the post-war world will be decided by what we do now. This afternoon I am going to ask what we are doing now and what is to be done when the war is over with the tremendous assets which we have built up in this country? To a very large extent, as we heard from the minister and from the hon. member for Lake Centre (Mr. Diefenbaker) yesterday, this will be decided by the new War Assets Corporation under order in council P.C. 9108. There is also a crown assets allocation committee consisting of interdepartmental officials and a representative of labour and of agriculture. But I understand it to be a purely advisory committee. The real power of disposal will be in the hands of this new corporation. To quote from the order in council, the actual business of the War Assets Corporation will be as follows: It is empowered to hold, manage, operate, dispose of or deal in and with any surplus crown assets consigned or transferred to it. It will also, according to the order in council, withhold from Canadian or world markets, for such time as it may decide, all or any portion of any surplus crown assets consigned or transferred to it. Further, it is empowered to effect sales of surplus crown assets consigned or transferred to it, in such manner and upon such terms as the company may determine. When we look at the statements which have already been made by some of the persons connected with this new crown assets corporation, we realize that parliament must closely supervise its operation.

The personnel of the War Assets Corporation includes, of course, as president, Mr. J. B. Carswell, a well-known steel manufacturer of this country. As *Saturday Night* well said in its issue of January 29:

> The business community must be gratified that Mr. Howe (Minister of Munitions and Supply) has placed the disposal of surplus war assets in the hands of business men and set them up in trade, not in political and official Ottawa, but in metropolitan Montreal.

In a speech before the Canadian Construction Association the president of the corporation, Mr. Carswell, made some interesting remarks which were quoted in the *Financial Post* of January 29 of this year. This is what he said:

> Since the key job of the corporation is to protect the going economy against impingement of war surpluses, it stands to reason the corporation should never get into competition with industry—which is another way of saying it should not sell direct to the consumer but rather to those whose legitimate business it is to deal with the article concerned and on a basis that, within the corporation's powers, will ensure reasonable profit to dealer and reasonable price to consumer.

Three years ago a prominent business man told a committee of this house that in his opinion at that time there should be set up a committee of business men whose duty it would be to consider ways and means of disposing of crown property and of material in such a manner as not to interfere in any way with established industry. If that policy is carried out we shall find that the War Assets Corporation, instead of being of assistance to the people of Canada, will further strengthen some of the vested industrial and financial interests in this country. I say to the minister and to the hon. member for Stormont that, because of the manner in which the government established some parts of Canada's industrial war effort, we as a nation have increased the power of some of our most powerful monopolies and cartels. I shall refer to one of them this afternoon. I shall refer to Canadian Industries Limited, the great chemical concern which is the Canadian part of the international cartel of which two of the most

powerful chemical organizations in the world, du Pont De Nemours Company and Imperial Chemical Industries Limited are the owners or the major interests.

Throughout the war the members of this group have drawn to the attention of the house and of the country the alarming growth in power of some of these powerful industrial and financial corporations, I may say quite frankly that for some months we have been making a study of Canadian Industries Limited; and while this afternoon, because of the limitations of the time at my disposal, I shall refer but briefly to the corporation, one of my colleagues, the member for York South (Mr. Noseworthy), will supplement what I have to say.

When the war broke out, Canadian Industries Limited, an organization which at that time had assets of some $75,000,000, established a wholly owned subsidiary company known as Defence Industries Limited, in order of course to separate entirely their war business from their civilian and ordinary commercial enterprises. Since 1939 Defence Industries Limited has directed and operated, on a management-fee basis, government-owned plant and other facilities costing some $260,000,000, so far as I can gather, judging from reports issued in this house from time to time, this capital of $260,000,000 was advanced partly on Canadian account and partly on British account; and last year, as we know, an agreement was entered into between Great Britain and Canada, whereby this country took over the British obligations and properties.

This sum of $260,000,000 represents approximately thirty per cent of all Canadian government assistance to private industry. The total expenditure incurred to this company through the Department of Munitions and Supply in the undertaking of Defence Industries Limited since the war, for construction, equipment and operation, has amounted, so far as I can gather, to some $600,000,000. I have said from time to time in this house that the policy of the government—and if other governments adopt the same policy, of those governments too—has strenghtened monopolistic industry and the cartels of which they form a part and will make it infinitely more difficult when this war ends to emancipate our people and the people of the world generally from the control of these great national and international organizations.

Mr. HOWE: May I interrupt my hon. friend? I am sure he would wish to make it clear at this time that all the expenditure he mentions, in capital, is still the property of the crown. The assets created are the property of the crown, and the company has acted only in the capacity of manager in every case.

[Mr. Coldwell.]

Mr. COLDWELL: I was going to deal with that in a few minutes. I had a return brought down last May, which contains some interesting clauses, and I had intended to deal with that point. First of all, the concentration of war business in this company has certainly been enormous, and I may say that if similar businesses of that type had wished to enter into the supply of these materials they would have found it at least very difficult to do so. Thirty per cent of all our capital assistance has gone to this corporation, and the expenses incurred by Defence Industries Limited for all war purposes I believe amounted to $611,525,000.

When the minister interrupted me a minute ago I was about to refer to a sessional paper, No. 360, tabled in this house on May 28 of last year. This return indicated the manner in which the capital facilities paid for by the government may in part at least pass to the ownership in some cases, or in other cases to the control, of this corporation. In my opinion the optional purchasing clauses in some of these agreements have the effect of depriving the government in advance of all bargaining power, and in some instances appear to commit the government to a policy by which Canadian Industries Limited may acquire, without adequate and proper remuneration, properties paid for by the people. I say, some of the clauses in the contracts make that possible. Moreover, the contracts may have the effect—and this I regard as one of the gravest features of the whole situation—of perpetuating a monopoly which the operator of Defence Industries Limited, Canadian Industries Limited, has already acquired.

If we look at return No. 360, to which I have already referred, the contracts with Defence Industries Limited—some of them, that is, not all—are shown to contain the following clause in respect to plants engaged in the manufacturing of certain explosives and munitions of war. I quote:

> The government shall give Defence Industries Limited a sixty-day option to purchase the plant or any part thereof, at a price it is willing to accept from any other party. If the offer is not accepted, the government is free to sell the same to any other party at a price not less than that offered to Defence Industries Limited.

At first glance this may appear to be fairly reasonable, but in some of these contracts there are restrictions on the use of properties, and these restrictions are of such a nature that only Defence Industries Limited would be interested in the purchase of the plant. Let me quote one of the restrictive clauses:

> The plant is not to be used for production of product or other explosives, or any constituent elements thereof, for other than military purposes.

The plant is not to be used for the manufacture of the present product or of any constituent thereof except for military purposes. In other words, when the war is over the plant obviously would either be operated by Canadian Industries Limited or would have to be closed down. It should be noted that this condition is imposed on all purchasers and the restriction does not apply—I say this because I think it has some bearing in the opposite direction—to the machinery and equipment if the plant is demolished or dismantled. Other plants are bound by the same restrictive clauses. What are the effects of those clauses which have quite evidently been inserted at the request of the company? They clearly envisage the possibility of the plants as at present constituted producing commodities other than those they are now producing, perhaps civilian requirements, after the war, and they completely prevent that possibility from arising. The effect, of course, is to perpetuate the monopoly enjoyed by Canadian Industries Limited in regard to certain products.

In view of this, Mr. Chairman, I urge that parliament should take some note of the restrictive practices of the monopoly and the cartel of which Canadian Industries Limited is a part. We feel there is a grave risk that while we win the war on the battlefronts of the world we shall actually lose it to the great cartels which now embody the nazi idea and hold themselves above parliaments and governments.

Canadian Industries Limited is not a Canadian enterprise. It is jointly owned and controlled by the du Pont De Nemours company of the United States and Imperial Chemical Industries Limited of the United Kingdom.

Mr. HOWE: And others.

Mr. COLDWELL: Who between them hold, I understand, between eighty-five and ninety-five per cent of its share capital. The others have a very small interest in the corporation. These two companies are part of a world-wide international cartel which has divided and still divides the world into markets and concludes exclusive licensing and patent agreements. They also divide the territories of the world amongst themselves. Canada is exploited by this cartel through the jointly owned Canadian Industries Limited, just as South America is exploited by other companies which are similarly owned by the corporations I have named. It is true that politically Canada is a sovereign nation, but economically this international cartel treats her as a colonial area or a colonial possession.

The foreign capital, so far as I have been able to discover, invested in Canadian Industries Limited throughout its existence has amounted to not more than $7,000,000. An analysis of its profits and their disposition show that since 1910 dividends on capital have amounted to $75,000,000. In addition all assets in Canada exclusive of Defence Industries Limited amount to another $75,000,000, and the original foreign capital invested in the company in Canada seems to have amounted to less than $7,000,000.

Through Canadian Industries Limited this international cartel has exercised monopoly control of many vital products. They include, of course, types of ammunition, explosives, ammonia, chlorine, hydrochloric acid, sodium sulphate, carbon disulphide, caustic soda, many kinds of dyestuffs, specialized paints, lacquers and varnishes. It holds the patent for cellophane, and is, I believe,—I am not positive of this—in exclusive control of nylon production in this country. Furthermore there is a widespread belief that agreements existed with other firms that eliminated competition in certain important fertilizers before the war.

I say the monopoly has made enormous profits. To illustrate—

Mr. TRIPP: Did the hon. member suggest that this company holds a monopoly of the sodium sulphate industry in Canada?

Mr. COLDWELL: No, I did not suggest quite that.

Mr. TRIPP: I think he did.

Mr. COLDWELL: I said it holds the monopoly on many of those vital products, and among them I named sodium sulphate. Is that what the hon. member said?

Mr. TRIPP: Yes.

Mr. COLDWELL: Yes, sodium sulphate.

Mr. TRIPP: We have millions of tons of it in Saskatchewan undeveloped.

Mr. COLDWELL: We have millions of tons of the raw material undeveloped, but I am going to show these people have developed and controlled the market for it.

Mr. TRIPP: They could not get a monopoly on an article of that kind.

Mr. COLDWELL: They have a monopoly on the manufacturing and refining of it. You can have all kinds of raw materials in the ground. We have large amounts of raw material, but where you have one group in control of the machinery, and particularly of the market, there you have the control of the product.

I said that this monopoly had made enormous profits. I could not illustrate it better than in this way. The holder of a $100 par value common share in 1910 now holds eighteen common shares of no par value which sell on to-day's markets for over $150 each. In addition, the holder will have received dividends in those years totalling $2,322 in respect of an investment of $100.

Recently the Department of Justice of the United States charged du Pont De Nemours Co. and Imperial Chemical Industries Limited with constituting a cartel in restraint of trade, and Canadian Industries Limited was named as a co-conspirator. This cartel, by the way, included agreements with I. G. Farbenindustrie, the German nazi-controlled chemical trust, and the Mitsui interests in Japan. However, I shall confine my remarks to the effect of this cartel on Canadian living standards.

The agreements between du Pont, Imperial Chemical Industries Limited and the jointly owned subsidiary, Canadian Industries Limited, by ingenious methods eliminated competition in countless products in Canada. They provided for the exchange of patents, and for exclusive licensing arrangements; they provided that no one cartel partner should export into territory assigned to another partner; they provided for the sale of all du Pont and Imperial Chemical Industries products in Canada through Canadian Industries Limited only. No other company could handle their products. In particular Imperial Chemical Industries and du Pont have eliminated competition in strategic materials in Canada by entering into agreements with potential competitors. For example, in 1928 du Pont and Imperial Chemical Industries caused Canadian Industries Limited to enter into contracts with the Atlas Powder Company of Delaware, U.S.A., whereby Atlas was prevented from exporting explosives to Canada, or participating in the explosive business in Canada. That is one example. Another example is that in 1936 du Pont and Imperial Chemical Industries Limited caused Canadian Industries Limited to enter into an agreement with the National Lead Company of the United States in order to eliminate competition in titanium pigments in Canada. This agreement provided for the setting up of a new company, Canadian Titanium Pigments Limited.

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

Mr. COLDWELL: I would prefer to make my speech; then the hon. member could ask questions.

Mr. EDWARDS: What is his authority for that statement?

[Mr. Coldwell.]

Mr. COLDWELL: I am quoting directly from a report tabled, in this particular instance, in Washington, by the committee which inquired into the chemical industry. Du Pont de Nemours Co. and Imperial Chemicals Limited are part of the cartel of which Canadian Industries Limited is a part and a subsidiary.

Mr. EDWARDS: The hon. member is saying so, but I am asking for his authority.

Mr. COLDWELL: If my hon. friend will read these reports for himself, he will get the information I am now giving. They are available in the library.

This agreement provides for the setting up of a new company, Canadian Titanium Pigments Limited, in which Canadian Industries Limited holds fifty-one per cent of the share capital, and the National Lead Company forty-nine per cent. Now, the new company has exclusive control in Titanium Pigments in Canada, but must not export from Canada. That is the agreement, and it is accessible to anyone who cares to read it. The hon. member for York South will probably place on record the clauses from the agreement, since the agreement has been questioned. I have merely cited two examples of this kind of practice; others can be developed.

But far more dangerous to the welfare of the Canadian people are the agreements preventing Canadian Industries Limited from exporting from Canada. We talk about restrictions on imports. These people have restricted exports from Canada, and thus cut down the amount of employment for Canadian citizens. These restrictions are not new, but have existed in various forms since the formation of Canadian Industries Limited in 1910. They are an affront to the Canadian people, and a flagrant instance of private interests placing themselves above the authority of parliament. As I have said before, it is not too much to say that Canada has been treated by these interests as a mere colony.

Here is an example. In 1928 Canadian Industries Limited attempted to export to the United States a new waterproof finish they had developed, but du Pont prevented this, and later took the patents of this Canadian developed process for itself.

In 1933 du Pont and Imperial Chemicals Limited prevented Canadian Industries Limited from exporting pyralin toilet articles, manufactured in Canada, to Australia. These things are on record. Where, on rare occasions, Canadian Industries Limited was

allowed to export—and this is interesting—the profit on the sale went to du Pont or Imperial Chemical Industries, depending on the territory concerned, or the territory to which the product was exported.

I gave two examples only of direct restraint of Canadian export trade, but my colleague will develop others. The understanding among these firms, that there should be no exports from Canada, was clearly expressed in a letter which Lamont du Pont, chairman of du Pont De Nemours Company, addressed to Lord McGown, chairman of Imperial Chemical Industries, on December 11, 1933:

> If the above is correct, it seems to us to follow directly and as a matter of course that Canadian Industries Limited shall stay in Canada, and not spread out into other countries, either by laying down plants—

And note this:

> —exporting their products, or licensing under their processes, unless both Imperial Chemical Industries and du Pont believe it is advantageous to so spread out and then only to the extent and for the time and under the conditions that Imperial Chemical Industries and du Pont agree upon.

Note that it is not to the extent to which Canada may agree it is advantageous to this country, but to the extent to which du Pont and Imperial Chemical Industries agree it is advantageous, not to this country but to themselves.

Following these instructions Canadian Industries Limited has not, in point of fact, exported from Canada, with the rare exceptions I have noted. In 1939, however, du Pont, as a special concession to Canadian Industries Limited, allowed—and note that word "allowed"—Canadian Industries Limited to export some products for a temporary period in view of the war emergency. A resolution of the du Pont executive committee, of October, a month after war broke out, 1939, sets this forth:

> Resolved further, that the foreign relations department be advised it is the feeling of the executive committee—

That is, of du Pont—

> —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.

Thus we have an United States board of directors deciding that a vital Canadian industry, in wartime, with assets of $75,000,000, shall not be allowed to export after the war—because the permission extends only during the war crisis. Note the words used, that Canadian Industries Limited "has no right" to export. These words are an unpardonable affront to the Canadian people. In my opinion the time has arrived when we should consider this whole question of cartels and monopolies.

Let me add this, in case someone should question what a cartel is. Some people seem to imagine that agreements between governments in connection with raw materials and food supplies are in the nature of cartels. A few days ago I looked up a number of definitions, and I could find nothing to substantiate that point of view. I did, however, copy from the Encyclopaedia of Social Sciences, a standard work not only in North America but in the English-speaking world, these definitions:

> The term cartel designates an association based upon a contractual agreement between enterprises in the same field of business which, while retaining their legal independence, associate themselves with a view to exerting a monopolistic influence upon the market. . . .
>
> Cartels may be divided into three basic types, according to methods by which they exert their influence upon the market. There are cartels whose direct object is price-fixing, cartels which aim at limitation of production or supply, cartels which operate through division of territory. . . .
>
> In general, only associations of the larger, independent enterprises are designated as cartels.

To-day the world is faced with a revival of some of these great international cartels. They are not dead; they are only sleeping. This organization had the very closest contacts with the German chemical industry. Indeed, if one went into the whole cartel set-up—and I have not the time this afternoon to do it—of its history, he would find that before and during the last war, while apparently it slept, and in the days of peace, I believe right up to the present time, the cartel's assets were carried by these organizations as assets on the right side of the ledger. They will be ready to act when the war ends because of their control of patents and other assets.

My time is up, but I should like to add just a word. We in this house ought to take action regarding the problem of patents. Through the control of patents some of these great international cartels have built up monopolies and have thwarted the progress of industry and the safety of our people. The time is long past when we should have tackled this problem, and the last thing parliament should have done is what I believe it has done, namely, strengthened the power of monopolies and cartels in the midst of the present war emergency.

Mr. HOWE: Mr. Chairman, I think I should make a few remarks at this time about the statement of my hon. friend. He has discussed the activities of Canadian Industries Limited and has tried to associate them with the Department of Munitions and Supply and Canada's war effort. He made the statement that we dealt not only with Canadian Industries Limited but with Defence Industries Limited, and I should like to make clear just why that was done.

The firms which make a business of producing explosives and certain chemicals allied with the manufacture of explosives have been through a war. They were bitterly attacked after the last war as being war profiteers. I did not want war profiteers in this country and I may say in all fairness that Canadian Industries Limited did not want to be classified as war profiteers. Therefore we had a discussion before any contracts were entered into with Canadian Industries Limited, and by mutual agreement it was decided that the government would have the benefit of the engineers and other personnel of Canadian Industries Limited, of the many patents and industrial processes owned by the company and of the knowledge accumulated by the company over the years, without involving the affairs of the department in any way with the peace-time business of the company.

Therefore a corporation was formed called Defence Industries Limited. This corporation was given, by Canadian Industries Limited, a capital of $1,000,000 which was thought to be sufficient to pay its running expenses. It was agreed that any business undertaken by my department would be with Defence Industries Limited, and that the profits of contracts with Munitions and Supply would be segregated and thus be subject to taxation, examination and investigation. I intend to deal with the remarks of my hon. friend about the cartel to which he referred, but I wish to make it clear first that this department has had no business with any cartel. It has dealt purely with Defence Industries Limited, which is a management company. I saw a statement in the newspapers a few weeks ago giving the profits and balance sheet of Defence Industries Limited. When I thought of the vast volume of business handled for the department by that management company, I was amazed at the modesty of the profits shown. I shall produce the statement in the committee and be glad to discuss this later on. I may say that I did not expect this discussion and therefore have not the proper data in hand to carry it through.

My hon. friend spoke of handling expenditures of $600,000,000. I am not sure that he saw the document which was tabled recently in the house, namely the report on the expansion of industrial capacity in Canada. This shows that Defence Industries Limited has handled the engineering, supervised the construction and is directing the operation of plants to the equivalent of approximately $100,000,000. The engineering skill required to build these plants was not available elsewhere. Not to have used the skill of this company would have prevented the production of explosives in this country. There was just no other skill to turn to for that experience.

All the patents of the company were turned in at cost. The only concession was that where special skills were used and where plants were built in expansion of this industry, which in peace time is rather small, the patents and the plants would be used only for the production of military explosives. My department was not interested in anything else, and we saw no objection to including a provision—I think it is in one or two contracts—to the effect that the plant would be used only for the production of military explosives. This does not prevent units of equipment from being used for any other purpose, when removed from the plant, and it does not interfere in any way with ownership by the government of the plant and its equipment.

So much for explosives. I judge from the expressions of horror used by my hon. friend in connection with Canadian Industries Limited and its affiliates that if he had been in my place he would not have done as I did. I think he is agreeing with that now. There was no option, and I think the procedure adopted was perfectly legitimate and proper.

There were certain chemicals needed in connection with which Canadian Industries Limited controlled the existing patents. Therefore again we called on Defence Industries Limited to furnish the engineering, supervise the construction and act as operators for the government. The only concession for the use of the patents was that, if and when the government wishes to sell the plant, it would be offered to Canadian Industries Limited, at a price at which the government was willing to sell, for a period of sixty days. That concession does not interfere in any way with the government getting full value for the plant, or a value which it believes is reasonable. The offer is made to Canadian Industries Limited, and is kept open for sixty days. If Canadian Industries Limited do not wish to purchase at the price asked, the government is then free to sell to anyone else at the same or a higher price. I might

point out that the government is not under any obligation to sell the plant to any one. That is the only compensation given to Canadian Industries Limited for the free use of all the patents of that company applying to that particular industry. I do not think any undertaking will be found in those contracts which will not commend itself to hon. members of this house at this time.

Our chemical programme was very important. We did not turn to Canadian Industries Limited where other sources of information were available. It will be noted on page 3 that we dealt with other chemical firms in manner similar to that with which we dealt with Dominion Industries Limited. There was McDonald chemicals, Miner Rubber Company, Naugatuck Chemicals Limited, Nichols Chemical Company, Limited, St. Maurice Chemicals Company, Limited, Shawinigan Chemicals, Limited, Shell Oil Company of Canada, Stormont Chemicals, Limited, and the Welland Chemical Works Limited. The combined dealings with other chemical companies were probably more extensive than our dealings in the chemical field with Defence Industries Limited. We got help where we could. We in no way favoured Defence Industries Limited because we wished to contribute in any way to the concentration of industries, or to the promotion of cartels. The urgency was great. We went to the firms best able to do a job for the department, in putting up a plant to produce a product needed for the war and to do it as efficiently as possible. If any money of the department has been well spent, I think the money spent in chemicals and explosives has been well spent. I think the price of our product, and its quality, and the surety with which it was brought into production, have not been equalled in any other country of the world. We have a grand story to tell of our output of chemicals and explosives to meet urgent war needs.

I might point out that Canadian Industries Limited is a Canadian corporation subject to Canadian laws. Its balance sheets are published for all to read. It has many Canadian shareholders. The prices of all its securities are quoted on Canadian markets every day. My hon. friend says that from eighty-five to ninety per cent of the company is owned by two firms. I think he is mistaken there. I think his proportion is much too high. I am not sure about that, because I have never interested myself in that phase of the company for, as I say, we have had practically no direct dealings with C.I.L. in the course of the war.

I do not favour cartels. I believe that the cartel is a relic of the past that is rapidly disappearing. I wholly agree with its disappearance. I believe that the disappearance of the cartel will be a benefit to industry as a whole. Canada has been singularly free from cartels. But let me say this. My hon. friend has attacked in this house two companies by name, one the Aluminum Company of Canada, and the other Defence Industries—

Mr. COLDWELL: Canadian Industries Limited.

Mr. HOWE: I am speaking more particularly of its subsidiary which has worked for the department. I wish to say this, that without those two firms in this country Canada's war effort would have been a very pale and insignificant thing. I suggest to my hon. friend that there is a time and place for all things. I have no objection to his attacks on cartels, but it seems to me that the time for those attacks should be a time when the defence of the country and perhaps the future of Canada and of its people are not so greatly dependent upon their skills. I read with amazement that, in the United States, in the middle of the war, time has been taken out to undertake a prosecution of firms there which are playing such a tremendous part in the war and the crippling of which would have such a tremendously damaging effect on the war effort.

Mr. DOUGLAS (Weyburn): Perhaps they are fighting for democracy over there.

Mr. HOWE: Perhaps they are. But one battle at a time. My hon. friends fight every battle in this house except the battle that Canada is fighting on the fronts abroad.

Mr. DOUGLAS (Weyburn): Nobody knows better than the minister that that is not true.

Mr. HOWE: Perhaps that was an overstatement. Nevertheless I am fighting only one battle at a time, and everything I do is directed toward one objective, namely, to obtain the munitions of war that are required in this struggle and to obtain them as efficiently and in as good quantity as Canada is capable of providing them.

Mr. COLDWELL: We believe that.

Mr. HOWE: I am sure you do. I have used the instruments at hand and I think our choice of instruments on the whole has been very satisfactory. We have had very few disappointments in our munitions programme. We had these two instruments at hand, and whatever their history has been in the past, Canada has been very fortunate in having at her disposal the wealth of information, and the wealth of skills, of these two instruments in a time of great peril.

Mrs. NIELSEN: Mr. Chairman, the report which was made by the minister covered so many things—the aircraft programme, communications, oil, rubber, explosives and many other matters—that I realize his report had to be a lengthy one. But even so he did not cover in great detail the various items which he mentioned. It was not possible for him to do so; it would have taken perhaps days if he had. But as it is a year now since we had a discussion in this house on the production of synthetic rubber, perhaps it would be permissible to ask the minister to give us a little more information on this subject than he did in his report.

I am one of those who realize the tremendous urgency and the dire necessity which faced the minister at the beginning of this war when suddenly our supplies of raw rubber were cut off and it became necessary for him at any cost to produce this essential part of our war equipment. I understand perfectly well, in the conflict of ideas which were presented to the minister, the difficulty he must have had in making up his mind at that time as to which might be the better source from which to obtain rubber. But it is some time since we had a discussion on this question, and I believe the minister is now in a position to tell us a little more about this whole matter.

Synthetic rubber and the making of synthetic rubber are of importance to us as a country. I speak as a western member interested in the making of synthetic rubber from grain alcohol, but I do not consider that I am speaking for any sectional interest because it would be to the benefit of the nation at large if we were able to keep up with the rest of the world in the production of cheap rubber for all the various uses to which it will be put after the war is over.

The minister said the other day that we had won the race so far as the production of rubber is concerned. That is a fine statement and I am glad to know that that is true, but I believe that the minister could tell us more about the possibility of rubber production in the future. Western people, the farming people of the prairies, have had enough information given to them so far to make them feel that there are vast possibilities in the production of alcohol from grain to be used for the production of synthetic rubber. There is also the possibility that in certain areas of Canada we could produce a type of dandelion similar to the Russian type for the production of latex, from which we would obtain real rubber to be used in conjunction with synthetic rubber in making tires and other rubber articles of a very fine type.

[Mr. Howe.]

I was sent recently a copy of a report from the Saskatchewan industrial development board, containing a speech by Doctor Paul Kolachov, technical counsellor of Joseph E. Seagram and Sons, Inc., at the fourth mid-American chemurgic conference at Cincinnati, Ohio, on September 29, 1943. Doctor Kolachov is recognized as one of the most renowned experts in this particular field of scientific research, and what he says is listened to with great attention. Here is a short paragraph from his speech:

> The fermentation industry shows unusual possibilities, mainly for two reasons. First, as we have already mentioned, many different compounds can be produced; alcohol, ethyl and butyl, 2,3 butylene glycol, acids, non-nitrogenous organic compounds; second, by utilizing farm products it draws its raw materials from an inexhaustible source. This second advantage has great significance for those of us who are interested in bettering the position of the farmer by utilizing his raw materials in industry. Industries based on the fermentation process have unlimited possibilities of growth; to further this growth will bring prosperity to the farmer such as he has never seen before, for he will be cooperating with the factory in furnishing essential raw materials. With industry playing such a large part in the activities of every leading nation the farmer's position has descended to that of an unrewarded house servant of the people, one who fills the icebox and the cupboard with the food staples. Unless he begins to take his place in the industrial life of these nations, his position will lessen in importance in the ratio to which industry's position increases in importance.

When Doctor Kolachov was lecturing in this country early this year he predicted that one of the products which would be obtained from the distillation of wheat alcohol was motor fuel, and that quite soon in the United States they would be using one hundred per cent wheat alcohol as motor fuel.

These things are of intense interest to our western people. Opinions expressed by authorities in the United States and in this country indicate that the minister has to-day further information which he is capable of giving us and that it is quite possible he may have to revise the opinion which he expressed last year during the discussion of this same subject. At that time he said that it would not be feasible to use grain unless the grain could be had at a price of around twenty-five cents a bushel, which all western members will readily agree is far too low to be considered by our farmers. Some hon. members may remember that in the debate last year I quoted from one Canadian scientist who had written for popular consumption a pamphlet in which he stated quite a little of interest to western grain producers. It was entitled "That Man May Prosper," by Mr. Dyson Carter, M.Sc., A.C.I.C., F.C.A.S.—to give him his full title. Recently

Mr. Carter has been speaking again in western Canada. I have here an address delivered by him to the annual convention of the Consumers' Cooperative Refineries Limited, on January 12, 1944. He urges in the speech which he delivered before that cooperative society that we do more to investigate the possibilities of the chemurgic industry, and he places as one of the first considerations the production of alcohol from grain. Toward the end of this speech he says:

Let me point out that if we mix farm alcohol—

That is alcohol produced from grain.

—with our gasoline, to an extent of only 15 per cent of the total fuel, this would create an industrial market for 75,000,000 bushels of industrial wheat per year! And at the same time, using the new processes, it would give us a large quantity of the highest quality protein, as a by-product for stock or human feeding.

The minister did indicate, when he made his report, that the rubber which was being produced in the plant at Sarnia had not yet produced a tire which was completely satisfactory. I quote from the report of his speech in *Hansard*, page 1705:

A word about the quality of these tires. It is not possible yet to say that a synthetic tire matches the quality of a raw rubber tire. This department is conducting very extensive tests of synthetic tires, in conjunction with the United States army. The data obtained from these tests will, we hope, help to improve the quality of synthetic tires. So far as we can now estimate, the synthetic tire is about 80 per cent as efficient as a raw rubber tire. It is still necessary to use a certain proportion of natural rubber in the fabrication of tires for heavy duty and high speed operation.

This would indicate that there is still need of a great deal of research in this particular matter and that the minister himself is far from satisfied with the type of rubber which is being produced by the plant at Sarnia.

It does seem that, since the war has been going on for such a while, we should by this time have taken advantage of any and all information we could get from our allies who have been able to produce sufficient good rubber for their use and who have to all intents and purposes, so far as we can see, made very good use of it. As is already known, the Soviet Union is producing rubber to fill all its needs and is not dependent upon supplies of raw rubber from any source other than its own production, that is from grain and the Russian dandelion. We have often in the past spoken of our "good neighbour to the south". To-day we are in a position also to speak about " our good neighbour to the north," who has been ready and willing to give us such assistance as we need in learning the technique of producing for ourselves good rubber from both the dandelion plant and our grains. There are some people who seem to have circulated the idea that the Soviet Union is not willing to give away her secrets. That, I believe, is incorrect. As soon as the United States of America wished to have some seed of the Russian dandelion for experimental purposes, the Soviet Union flew the seed to the United States immediately in one of its biggest bomber planes. That does not indicate an anxiety to hide secrets of rubber production. I am inclined to think we have not taken full advantage of the assistance the Soviet Union is able to give us on this question. The minister will be in a position to explain more about this, but the fact remains that in the Soviet Union they have been so satisfied with the result of experiments with the production of real rubber from the latex which is derived from the roots of the dandelion that they have at present over two and one-half million acres devoted to the growing of this root. From that, together with synthetic rubber, they have produced enough rubber tires for the tanks and guns which are rolling the Red army on to victory.

I remember that last year, when the minister was speaking about the production of rubber from the latex of the dandelion root, he remarked that he would hesitate to say how many hundreds of square miles would be needed to produce a ton of rubber. I am a little surprised at a statement like that; I was at the time; and I think the minister should tell us why he suggested that hundreds of square miles of land would be needed to produce a ton of rubber, even under Canadian conditions. It seems to me that, to say the least, he rather overstated the position. It is not necessary to devote hundreds of square miles to the production of a ton of rubber if we engage, as we can do, in the production of the Russian dandelion.

According to the statement of Mr. Carter, in the Soviet Union roughly 8,000 pounds of roots are obtained from one acre of land, and the rubber content of these roots is roughly about twelve per cent, while some of it goes as high as twenty per cent. This is not my argument; it is Mr. Carter's. He says that, if we were to take full advantage of all the information which the Soviet Union could give us, he believes it would be possible for us, with thorough cultivation, to get at least an average of about 6,000 lbs. of roots from one acre of good Canadian soil, and that it might be possible for us, by careful cultivation and a full understanding of what is needed for the growing of the plant, to produce a root which would have at least ten per cent of rubber content. He then explains that 600 pounds of

rubber to one acre would be produced, and even if we gave the farmers as low as ten cents a pound it would give them roughly $60 an acre, which is equal to thirty bushels of wheat at $2 a bushel, something which they have not had for a long time.

Now that we are to have an industrial bank which will lend money to enterprises, co-operative enterprises, it would appear that such an enterprise as this would be like a blood transfusion to western Canada.

I would quote again from Mr. Dyson Carter's address. Continuing on the question with reference to the price that might be obtained, he says:

> Now synthetic rubber being produced to-day from petroleum costs about 30 cents per pound to manufacture. Therefore the factories which brought the rubber dandelion root and extracted the rubber latex from it (one factory or several which would be built up in the west) would get the equivalent of $180 per acre for the rubber crop. (30 cents a pound for 600 pounds is $180.) This is a very large "spread" between the price of 10 cents paid to the farmer and 30 cents paid to the manufacturer. It means $60 an acre to the farmer, $180 to the manufacturer.

That surely should be a good enough profit for any cooperative or even small private industry in which to invest its money.

> But we might as well be realistic. What farmer would complain about getting $60 an acre for any crop? And remember, if we could raise this crop as farmers do, we would get over 8,000 pounds per acre of 12 per cent rubber, or about 1,000 pounds of rubber per acre. At 10 cents a pound that would amount to $100 an acre. With the manufacturer getting $300 per acre for the finished rubber.

I hope that when the minister answers me, as I trust he will, he will criticize any statement made by Mr. Carter if it is not correct, because I am not in a position to know.

These figures may be a little more of guesswork than perhaps the minister would care to indulge in, but if he is not satisfied with them, I should like him to give us something more realistic, because I know our western people are following this question. They want to know and they have a right to know. It seems that there are unlimited possibilities with natural rubber so produced in this country to be used together with synthetic rubber, which would make a tire far more satisfactory than the type now produced.

I understand that some of the interests in the country already in control of rubber supplies might be a little alarmed at this new production, but we cannot sacrifice the interests of the nation at large to any sectional interest. The claims of those who control the rubber industry must be subordinated to the claims of the nation if it is possible for us to produce rubber in these other ways. I believe

[Mrs. Nielsen.]

that some startling new methods are now known as a result of research in producing alcohol from wheat, and the statement made by the minister last year, in which he said that a price of twenty-five cents a bushel was all that could be paid for wheat to be used in the process, might be revised. To-day, owing to the new technique in producing alcohol from grain, which has shortened the process and made it quite different from what it was a year ago, when we had the minister's last report, he might consider raising the price for grain to be paid to the farmer for industrial processes such as this.

Let me quote once more from Mr. Carter's speech delivered on January 4.

> Still something more is to be said in regard to alcohol from wheat. Every farmer knows that there are two principal constituents in wheat, the starch and the protein. In the old alcohol processes, only the starch was used to make alcohol. The protein passed through the process, coming out in the end as waste product known as "distiller's slops". This material caused foaming in the stills, the tanks, and other equipment. It led to waste and to increased cost of production. But now chemists of the United States department of agriculture have developed a new process to take care of the wheat protein. This process extracts the protein from the mash before it is converted into alcohol. The process is extremely cheap. The protein is extracted in a very pure form, which is of highest nutritional value even for human beings. Experts say that it can be sold at prices from 10 to 30 cents a pound. It has become of considerable importance in the feeding problem after the war, and will be of greater importance after the war, because here we have a source of very concentrated protein food.

I wish the minister would tell us whether in the experiments carried out in this country in the growing of dandelion root and in the direction of obtaining alcohol from grain we have solicited all the help which the Soviet Union is willing to give us in this direction, or whether we have merely gone on our own and allowed our own research departments to go over the same ground which had been travelled several years previously by the experts of the Soviet Union, when we might have had the benefit of their researches to help us to speed up the process in Canada. Will the minister tell us whether the new discoveries with regard to the hastening and cheapening of the process in obtaining alcohol from wheat do not now make it a feasible way of obtaining alcohol, and therefore is it not feasible for us in western Canada to start industries to obtain industrial alcohol?

Third, will the minister tell us how the rubber made in the Sarnia plant compares with the rubber which is made in the United States from grain alcohol? I should also like to know if it is the government's intention

to set up any plant in our wheat growing areas as a government project, or whether the government would prefer to leave this project to some of the western cooperatives.

I have no quarrel with what the minister has done in trying to supply the nation with rubber. Indeed, I can only compliment him upon the way in which he has tried to tackle a problem which at the beginning of the war seemed a colossus, something terrific which we had to face when we were left practically without supplies of this valuable commodity. I do feel that to-day, in view of the fact that new discoveries have been made, we should not, merely because we have a plant in Sarnia which is making synthetic rubber, refuse to investigate the full possibilities of these other new ways of producing rubber. After all, our job in the future is to produce rubber as cheaply as possible. Not only that, but if we can produce it from the grains we have, the possibility from the various by-products, which in turn would enrich the soil and give our farmers a chance to produce in western Canada an industry which would be of value to the whole nation and also enrich the land, would place agriculture in all its other phases in a far better position to carry on in the future. It would give new life to western industry. It would open up a new era, and the hopes of our western farmers would begin to soar as they saw the possibilities opening up before them when industrial raw materials as well as food could be the product of our western farms.

I have brought this matter to the attention of the committee because I feel sincerely and honestly about it. As I stated at the beginning, it is not a sectional interest of the western people, although it does affect us considerably. As a nation we cannot afford to fall behind other nations. Both the Soviet Union and the United States, our neighbours to the south and to the north, are far ahead of us in the production of rubber; and I should like the minister to give the committee a more detailed report of what is being done and what he hopes to do in this field.

Mr. HOWE: I wish to compliment my hon. friend upon the very fair way in which she has placed before the committee the questions that people are asking with respect to the production of rubber from grains, as compared with its production from a petroleum base. I have considerably more experience now than when I spoke last time with reference to producing alcohol from grain. From the commencement of the manufacture of artificial rubber I think fifty per cent of all the alcohol produced at our distilleries has been exported to the United States for the manufacture of butadiene. For a time we were making our rubber from butadiene manufactured from alcohol, for the reason that it took much longer to bring in the plants based on petroleum than the plants based on alcohol. To-day we are making rubber from our own butadiene made from petroleum. The situation is very much the same as I stated when I spoke last in this committee. It costs about three and one-third times more to make butadiene from wheat than from petroleum. To-day alcohol made from wheat costs about ninety cents a gallon. Alcohol made from petroleum costs about twenty cents a gallon. These are approximate figures.

Mr. DOUGLAS (Weyburn): They are based on what grade of wheat?

Mr. HOWE: It is wheat that is bought to-day by the distillers for the purpose of making industrial alcohol for conversion into rubber. I am not sure what grade of wheat they use, but I am certain that they are trying to make it as cheaply as they can. However, that is the situation.

My hon. friend has referred to improvements in the process of distilling alcohol from grain; but I think we must revert to the fundamental fact, namely, that no one has discovered a way of getting more than two gallons of alcohol from one bushel of wheat. That is the basic difficulty. On top of that, of course, is the conversion cost. While the conversion cost may be cut, I would point out that if wheat at the distillery costs $1.40 a bushel, we have a basic cost of seventy cents for a gallon of alcohol. That is fixed and unchangeable, as far as I can find out, and on top of that, of course, is the cost of conversion. I said that if wheat cost $1.40 a bushel at the distillery, that in itself would mean seventy cents a gallon for the alcohol. It actually costs ninety cents; therefore there is a conversion charge of around twenty cents a gallon involved. Perhaps by better methods that could be cut to ten cents a gallon, but my hon. friend will appreciate that even then the cost of alcohol from wheat is vastly greater than the cost of alcohol from petroleum products. Now, what about the quality of the product?

Mr. DOUGLAS (Weyburn): Before the minister leaves that point may I ask him a question? As I understood the minister, he gave a figure for making alcohol from wheat and from petroleum products. Would he have the figures as to what the final rubber costs are from wheat and from petroleum products?

Mr. HOWE: I shall trace that through if my hon. friend wishes. I cannot give him the costs of butadiene because I have not them at my finger-tips. The costs of butadiene, which is one of the two basic products of rubber is about one-third of the cost of butadiene made from wheat alcohol. I may say that wheat is not used in the United States. Corn is the base there, if it is available. It makes a cheaper alcohol. Ordinarily a still cheaper alcohol can be made from molasses. Alcohol is alcohol and butadiene is butadiene. It does not make any difference what you make butadiene from. Butadiene is a chemical, and when it has the same degree of purity it is exactly the same regardless of the source of the manufacture.

Mr. DOUGLAS (Weyburn): I understand that at Sarnia they made synthetic rubber from wheat in the early stages. I wondered if the minister had the figures with him.

Mr. HOWE: Yes, they made it from alcohol, but in starting up a plant it is very difficult to get costs that mean very much. Rubber made at Sarnia to-day is slightly below the cost of the imported rubber. The import price of rubber is about forty-one cents a pound. According to the last report I received, our costs are running around forty cents a pound to-day; but they are dropping very rapidly and we expect within a matter of weeks to get down to a cost of approximately twenty cents a pound. We hope ultimately to arrive at a cost of around sixteen to seventeen cents a pound.

Mr. DOUGLAS (Weyburn): That is less than the price of raw rubber before the war?

Mr. HOWE: Yes, and much less than raw rubber to-day. The average price of raw rubber before the war was roughly fifteen cents a pound. Frequently it went as high as twenty-five cents a pound. Of course, that is rubber at the seaboard. We expect our rubber to compete freely with natural rubber and perhaps have a price advantage, if we can read the cost of rubber from the past as the cost of rubber in the future.

As I say, one ingredient of rubber is butadiene. The other is styrene. We make both products on the same property. We make butadiene at our Sarnia plant; on the same property we make our styrene, and on the same property we combine the two together into rubber through a process known as polymerization. In that we used a certain amount of dandelion. As my hon. friend may know, through the Department of Agriculture we encouraged the planting of dandelions for that purpose at about the time that we started the synthetic rubber plant, and we are using dandelions in our process to-day. Unfortunately we have not enough to be much of a factor, but the use of dandelions is helpful in the polymerization process. It is said to help the process of converting the basic materials into the finished rubber. However, I do not think anyone has made rubber wholly from dandelions commercially. I asked our experts what the costs would be and they estimated about $10 a pound. They admitted it could be done, but they said that the cost of making rubber from dandelions alone would amount to about $10 a pound in the finished product, which, of course, puts it out of the way as a commercially feasible process.

Mr. FRASER (Peterborough West): What about milkweed?

Mr. HOWE: From the point of view of use in making rubber the two products are very much the same. I may say that we are having some difficulty in getting our farmers to cultivate milkweed. We paid them for their crop and I think they found it was not a very attractive element in farming. Perhaps the Minister of Agriculture can give more data on that than I can from the point of view of milkweed and dandelions as a crop.

As to the quality of the rubber, I think our rubber is as good as any made on this continent, and perhaps as good as any made anywhere. It is recognized everywhere as a first-class grade of synthetic rubber. The difficulty we are having in manufacturing tires is that of processing the rubber that we have. I suppose it took ten or twelve years for the industry to make, from natural rubber, the tires that were being sold just before the war. As many of us will remember, the tires we used to buy ten years ago were guaranteed for perhaps only 1,000 or 2,000 miles, but just before the war we expected a tire to last for 20,000 or 25,000 miles.

We have been going through that process with tires made from synthetic rubber. Great strides have been made. I said in my report that to-day tires could be guaranteed as eighty per cent as good, as respects wearing qualities, as tires made from crude rubber. That is a marked advance in only a matter of months. Perhaps I was a little conservative in my statement as it would apply to the type of tires used on ordinary passenger cars. Many of our tests show that the same mileage can be obtained from that type of tire, using synthetic rubber, as can be obtained from the same tire built of natural rubber.

The difficulty is in connection with the heavy-duty tire the big truck tire and particularly those very large tires used in connection with mobile artillery.

Mr. STIRLING: How do costs compare?

Mr. HOWE: I shall talk about quality first. The difficulty is that for the early tires built, it was found that in driving at high speed and with heavy loads, the tires heated, and deteriorated through the action of the heat on the rubber. Even to-day, we are using about twenty per cent natural rubber in the biggest artillery tires, and only eighty per cent synthetic rubber.

Mr. ADAMSON: That is, virgin rubber.

Mr. HOWE: Twenty per cent natural rubber, and eighty per cent synthetic.

Mr. ADAMSON: Not reclaimed rubber?

Mr. HOWE: No; reclaimed is not used in tires at all. Tires, however, have been greatly improved. The natural rubber tire used cotton fabric, but to-day in the heavy-duty synthetic tire we are using a celanese fabric which is stronger than cotton, and permits us to carry the same loads with thinner tires. This has the effect of reducing heating.

So that I believe it can be said that we are well on the road to having a satisfactory solution of our rubber problem. I have never undertaken a war project which has caused me as much worry and concern as did that of synthetic rubber. At the time we undertook the project, no synthetic rubber had been made on this continent, outside of laboratories. We were very much in the dark as to costs, and we were not at all sure that sufficient engineering data was available to allow us to work out the process. I went to my colleagues and asked for an appropriation of $45,000,000 to undertake this project. I had to point out that our stock-pile of crude rubber at that time could last for only a matter of months, that the chances of getting more were not good, and that the world stock-pile of rubber would run out in a matter of months. I put it to them as a race against time, with the possibility of disaster if the project did not turn out well.

The plant is now completed, and getting close to full operation. We have had no serious disappointments in connection with it. Even though it was rushed through in winter months, the cost was within ten per cent of the estimate I placed before my colleagues. It was brought in pretty much at the estimated time, and the product is first class. It happens that ours is the only wholly integrated rubber plant built on this continent, where all the products are made, and the rubber completed, on the same lot. That has had the effect of cutting down our costs and, from a comparison of data supplied by officers in charge of operations in the United States, I find that our costs are favourable. I believe we have a splendid industry and, for the chemists, a tremendously interesting one. At some stage in the process, simply by turning a petcock one can draw off almost every element of petroleum. The various elements of petroleum are the basic substances from which a great variety of products is made. I believe that not only will this plant continue in the future to make rubber, but it will be the centre of a great industry and the source of the production of a great variety of other products.

I believe it has been perhaps the most interesting project of the war, and one which will make a contribution to Canada's future industrial progress as great as that of any we have undertaken. I would hope that any hon. member who finds himself in the vicinity of Sarnia would take the opportunity of visiting the plant. I am sure he would find it an interesting and inspiring experience.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. DIEFENBAKER: Mr. Chairman, there are certain matters about which I should like some information and which were referred to this afternoon by the parliamentary assistant to the minister. The first is in connection with the renegotiation of contracts and I wish to know the number of contracts that have been renegotiated and the amount of the savings thereby affected. There is a further matter in connection with the cancellation of war contracts. The minister dealt with this matter and he is reported on page 1692 of *Hansard* as follows:

> In many cases, when orders have been cancelled we have been able to convert the manufacturing capacity to other uses. But there will always be certain capacity which is single purpose, and is not suitable for other types of manufacture. Reductions or cancellations of programme in such single-purpose plants mean reductions in personnel.

What factories have been closed down as result of the cancellation of agreements, and what has been done with the employees of those factories?

I come now to the general position in regard to controls and controllers. The minister dealt

with the production of instruments and communication equipment, and, as reported on page 1693 of *Hansard,* he said:

> The production of instruments and communication equipment in dollar cost was 180 million in 1943, as compared with 84 million dollars in 1942.

And again:

> This continues to be an expanding programme.

Last Saturday I had an opportunity of visiting certain aircraft and instrument factories in Toronto, and I was able to see the development that has taken pace during the past year. I wish to refer particularly to the Sutton-Horsley Company Limited, in connection with which a controller was appointed on March 12, 1943. The preamble of P.C. 1980 with reference to this company states:

> The Sutton-Horsley Company Limited, which operates a plant in the city of Toronto, is engaged in the manufacture of special types of aircraft parts and accessories required for use in the production of aircraft for His Majesty.

It states that a preliminary investigation of this plant was made when it was ascertained that the production of aircraft parts and accessories was being seriously handicapped and that such production might be seriously interrupted or entirely stopped unless financial and managerial assistance was given to the company. The order in council goes on to point out that a controller is being appointed to look after the business in the interests of increasing the production of that firm and that Robert James Pinchin of Midland, Ontario, was being appointed as controller. Apparently the production of this factory is needed or the minister would not have stated that the production of instruments and the like is an expanding programme.

If my information is correct the conditions at this plant have not been any too good since the controller was appointed. I understand that the number of employees has decreased from 1,200 to less than 400 and that lay-offs are continuing from day to day. A rumour is being circulated that the place is to be closed down within a period of time. What is the situation with regard to the Sutton-Horsley Company? I should also like to know how much money was advanced by the government by way of capital assistance or otherwise in order to encourage the production of aircraft accessories which were regarded as being so necessary in March last that a change was brought about in the set-up of the company. Why has there been this reduction in the number of employees? Has the production of this plant increased or decreased since March, 1943? What course does the government intend to take in order to ensure production of these articles which are so necessary in connection with our aircraft production?

I pass now to another matter dealt with by the minister, the production of wood fuel, and I intend to submit an example of what I consider gross inefficiency on the part of those in charge. The minister dealt with this matter on page 1702 of *Hansard,* when he said:

> Wood fuel control was established to stimulate production, and to supervise the distribution of wood, in order that there might be no hardship during the present winter.

And again:

> In addition to the production subsidy, transportation subsidies have also been paid, in order to facilitate the movement of wood to probable distressed areas. The wood fuel controller also initiated a number of special cutting projects, as a means of building up government-owned banks of wood fuel, which could be held in reserve and shipped to any areas where distress was imminent.

I ask the minister to explain this set-up. I know the circumstances under which wood fuel control was established. I am going to give one example and then I shall ask the minister to explain the whole position, giving the number of camps established, the results that flowed therefrom and the cost of producing the wood fuel in each area.

I deal now with the situation particularly at the head of the lakes. There, after the appointment of a controller, plans were proceeded with for taking out 75,000 cords of fuel wood. Directives were given to those who were to take out this wood, and ceiling prices were established. There was a ceiling price at the lakes, a different ceiling price at Winnipeg, and further west still another ceiling price. The government, through the controller, directed these firms at the head of the lakes to get out fuel wood, the prices paid to the operators being as follows: for poplar, $7.50; pine, $8.25; tamarack and birch, $10.50. Strangely enough, the Manitoba ceiling price for the same wood, including the one dollar subsidy, was $5.50 for poplar, $6.25 for pine and $7.25 for tamarack.

The freight rate on this wood to the city of Winnipeg was from sixteen to twenty-one cents per 100 pounds. This wood could not be used until it was reasonably dry. A cord of green poplar weighs 5,400 pounds and, when dry, about 2,500 pounds. A cord of birch weighs 5,000 to 6,000 pounds when green, and about half that when it is dried out.

Winnipeg had sufficient fuel. In the province of Manitoba fuel was available at a shipping rate of 4½ to 7 cents per 100 pounds. But what happened a few weeks ago? An order came from the controller that wood

shall be taken from the head of the lakes production. So what did they do? They shipped the wood to Winnipeg. I have given the initial price of the wood. Take poplar, for instance. They did not wait to ship it until it was dry in order to save freight rates. The wood was not needed in Winnipeg and it could have been kept in a stock-pile at the head of the lakes until it could be used. The fuel dealers of Winnipeg informed the controller that there was no market there for the wood. But that did not matter. The wood had to be sold in Winnipeg. Poplar cost $7.50 a cord to produce, and they shipped it to Winnipeg and paid an $8 freight rate. It cost $15.50 a cord to produce and deliver in Winnipeg. That does not take into account administrative costs, and then the government sold it in Winnipeg at $5.15 a cord.

Mr. HOWE: Does my hon. friend recall the day when a motion was made to adjourn the house to discuss a matter of great public emergency, when we were told that the people of the country would freeze for lack of fuel? May I tell him that this last winter no one in Canada went cold for lack of fuel. Does he think that just the usual means were required to overcome this great national emergency which was painted by his party, or is his party in the habit of moving to adjourn the house in a great national emergency when there is no emergency at all?

Mr. DIEFENBAKER: I do not criticize the minister for getting the wood out.

Mr. HOWE: Thank God for that.

Mr. DIEFENBAKER: But I do not thank the Deity that this wood was shipped to Winnipeg, paying an $8 freight rate, when it could have been stored at the head of the lakes until needed. That is why I criticize the government. If they had left the wood at the head of the lakes, all that it would have cost would have been $7.50 stored, until it was needed and was dry. Instead of so much moisture being hauled to Winnipeg, the wood could have been left at the head of the lakes until it was needed.

Mr. HOWE: It seemed important to my hon. friend, when he moved to adjourn the house, that there be enough wood to keep the people from freezing. A lot of the wood was left at the head of the lakes, but we shipped a fair amount to Winnipeg in case the weather turned cold. We are not judges of the weather; we cannot tell what the weather will be next month. Let him remember that, and let him tell me how much surplus fuel there is in Winnipeg to-day. He is the greatest second guesser in the house.

Mr. DIEFENBAKER: After all, when the minister speaks I listen to him, and he can answer me afterwards, as I do him. Just because the minister realizes that $800,000 or thereabouts was thrown away, naturally he becomes annoyed. He was warned about this, and his controller was warned that the wood was not needed in Winnipeg, that wood could have been obtained in Manitoba at a freight rate at 4½ to 7 cents. But the order of the controller to the people of Winnipeg was: You have to take 12,500 cords from the head of the lakes, regardless of your wishes or your needs. I do not criticize the government or the minister for any efforts that were made to get out the wood. But the department had it stored at the head of the lakes, and it was not needed in Winnipeg at that time. The freight rate to Winnipeg would have been just exactly one-half if the wood had been left until dry in the stock-pile at the head of the lakes to meet emergencies. But for some reason best known to the controller, and acting against the advice of those he consulted with, against the advice he received from those with whom he came in contact in the trade, he went ahead as controllers sometimes do, regardless of the treasury of Canada, and in that one small item the people of Canada have lost a matter of from $600,000 to $900,000.

Mr. HOWE: All right; that is a charge we will investigate and see whether $600,000 to $900,000 was lost in the Winnipeg situation. All the wood involved was not worth that much. My hon. friend is making a definite charge.

Mr. DIEFENBAKER: I am speaking of the controller.

Mr. HOWE: The hon. member is just speaking. He does not want to be taken seriously. I suggest a royal commission or a committee to inquire whether $600,000 to $900,000 was lost.

Mr. DIEFENBAKER: The minister, as ever, when faced with facts seeks refuge in truculence.

Mr. HOWE: When serious allegations are made, I ask that they be investigated. My hon. friend has made his statement and I expect him to go before a committee and prove it.

Mr. DIEFENBAKER: I am asking for information, and I am asking as to the wood situation elsewhere in Canada, for I know that if the minister will give information with regard to the cost of getting out the wood in Saskatchewan it will reveal that the

cost was very high. I do not criticize that. But I do criticize this, that instead of the wood being left in a stock-pile, it was shipped into Winnipeg at a freight rate of $8—12,500 cords—wood that cost $7.50 to produce and an $8 freight rate—and the government sells it in Winnipeg at $5.15 a cord.

Mr. ROWE: Less than the cost of production.

Mr. DIEFENBAKER: And I do not take into consideration the original cost. All this is because the controller decided not to take the advice of those who told him of the conditions that existed.

Mr. HOWE: The controller himself was a Winnipeg man incidentally, and knew the Winnipeg situation as well as anyone.

Mr. DIEFENBAKER: Yes, controllers always know more than anyone else. He knew more than the entire trade, and that is what this parliament should object to.

I will deal with another matter, which possibly the minister will also explain, in connection with the production of timber. I am just running over these matters because at the moment I am asking for information. He deals with it and, as reported in *Hansard*, at page 1703, he sets out the circumstances connected with the requirements of Great Britain and elsewhere for timber.

Last October notice came to a forestry corps unit overseas that it was to go back to Canada. These men enlisted for overseas service or service anywhere, and they were ordered to come back to Canada to produce timber. I quote from a return, sessional paper 171A, brought down in answer to a question of the hon. member for Peterborough West. Here are the questions:

1. Was the Canadian forestry corps dispatched for service in Great Britain? If so, for how long did it remain overseas?

The answer is "yes", and there is some further information.

2. How many officers and how many men received orders during September and October, 1943, to return to Canada?

The answer was:

Forty-seven officers and 1,906 other ranks. . . .

Another question:

4. Were these men of the Canadian forestry corps interviewed at Debert by selective service officials? If so, to what purpose?

Mr. HOWE: Mr. Chairman, I suggest that this has nothing to do with the estimates before us and nothing to do with my department.

Mr. GRAYDON: Is the minister going to rise continually on some point? It is not a point of order, as far as I can see.

Mr. HOWE: I rise to a point of order.

Mr. GRAYDON: The minister has risen and made a speech every two or three minutes while the hon. member for Lake Centre has been making his speech.

Mr. HOWE: He is not making a speech; he is asking a question.

Mr. GRAYDON: He is making a speech, and he is making the kind of speech that the minister finds it necessary to interrupt.

The CHAIRMAN: The minister has raised the point that the remarks made by the hon. member for Lake Centre have nothing to do with his department. I hope the committee will realize that it is impossible for the minister to answer such a question at the present time.

Mr. GRAYDON: The minister has not raised any point of order at all.

Mr. HOWE: Yes.

Mr. GRAYDON: Well, he did not make any reference to a point of order. He rose out of the blue and made some statement about the hon. member for Lake Centre. If the subject has nothing to do with his estimate he has a perfect right to raise a point of order, but he cannot rise in his place every other moment and interrupt the hon. member while he is making a statement.

Mr. HOWE: I believe any hon. member, according to the rules, has the right to make a point of order.

Mr. GRAYDON: But the minister did not do so.

Mr. HOWE: The point I make is that I have nothing to do with the forestry corps, and nothing to do with selective service. This incident of the forestry corps has nothing to do with the Department of Munitions and Supply.

Mr. DIEFENBAKER: On the point of order, Mr. Chairman, the minister set out at page 1703 of *Hansard* the circumstances connected with timber and his encouragement of the production of timber in Canada. I am proceeding to show that a certain number of forestry men, some 2,000, were brought back from England—

Some hon. MEMBERS: Order.

Mr. DIEFENBAKER: —in order to assist in timber production, and the cost of their passage was paid. Fifteen per cent found their

way into forestry; the rest either went overseas or to some other units, or were not utilized by selective service. I am pointing that out as a wasteful example in connection with the encouragement of timber production in this country. To support my argument I have to refer to the best information I can get, which is a return that was brought down to this house.

Mr. GOLDING: What department?

Mr. DIEFENBAKER: It says this:

9. How many of the Canadian forestry corps—

Mr. CHEVRIER: Mr. Chairman, on a point of order, the hon. gentleman is referring to the activities of the forestry corps. The minister has risen and said that he is not concerned with that branch nor has he had anything to do with it. My submission to you is that that part of the hon. gentleman's speech is out of order. I ask you to rule accordingly.

The CHAIRMAN: On the point of order, I state again that we must realize that we have before the committee a certain proposed resolution providing for a sum of money not exceeding $3,650 millions. The hon. member for Lake Centre is making some argument dealing with the production of lumber, which I believe can be discussed at the present time because it has been mentioned by the minister, and timber production comes under the present resolution.

Mr. HOWE: Let me say this, that no forestry corps—

Mr. GRAYDON: The Chairman has given his ruling.

Mr. ROWE: The point of order is decided. The minister is out of order.

Mr. HOWE: Certainly not.

The CHAIRMAN: The minister has the floor and I wish to hear him.

Mr. HOWE: I say that no forestry corps was ever involved in any operation of the Department of Munitions and Supply.

Mr. ROSS (Souris): Whom is the timber controller under?

Mr. HANSON (York-Sunbury): The Chairman has ruled. On the resolution the hon. member can talk about anything.

The CHAIRMAN: The minister had the right to rise and explain, as he has done.

Mr. HANSON (York-Sunbury): Not after the ruling.

Mr. GRAYDON: He can explain himself, of course; but this is after the Chairman has ruled.

Mr. CHEVRIER: The Chairman is on his feet; the hon. gentleman should sit down.

The CHAIRMAN: Of course we must realize that I am in the hands of the committee, but we are bound by the rules of discussion of the committee of the house. I was taken to task a day or two ago because I allowed the hon. member for Davenport to deal with the subject of tar sands, because the committee realized that it was absolutely out of order. I think the hon. member for Lake Centre should be allowed to proceed, keeping within the limits of the discussion at the present time.

An hon. MEMBER: Anything on the resolution.

Mr. CHEVRIER: Anything on anything.

Mr. DIEFENBAKER: Thank you, Mr. Chairman.

This just illustrates the lack of cooperation between the departments, because in the orders which were given to these men to come back to Canada it is stated:

You have returned to Canada to assist in increasing production and export to the United Kingdom of vitally needed timber.

And timber control is under the Department of Munitions and Supply. For that reason I am dealing with this matter. The minister dealt with it, and spoke in such glowing terms of the success of the production of timber that I am referring to an incident which occurred in the last three or four months and which does not do credit to the degree of cooperation that one expects between government departments. I pointed out that nearly 2,000 officers and men were brought back from overseas. Of these men there were, in category "A" 37 officers and 1,206 other ranks. These men arrived in this country in November for the purpose of increasing our timber supply, and this is how the authorities went about it. The men were interviewed by Colonel Ferguson and a representative of the timber control board, which is under the control of the minister, as well as a representative of the Department of Labour. They were advised that they were to be put to work on forestry duty. They stayed where they were for several days. Then some of them were moved out to the far west, and in the final event only fifteen per cent or thereabouts of the 2,000 men brought back to Canada found their way into forestry and the production of timber.

Mr. HOWE: Where did the rest of them go?

Mr. DIEFENBAKER: Some of them went back overseas because they did not want to be back in this country under the orders of the Department of Labour, or the timber controller either. It is a very serious matter that in time of war 2,000 men, approximately 1,300 of whom are category "A," should be brought back to assist in timber production and not be so employed. Some of the officers were placed on the reserve of officers and some of the men went overseas in other units.

These are matters as to which I want an explanation from the minister.

Mr. HOWE: Will my hon. friend explain to me what this has to do with the production of lumber in Canada?

Mr. HANSON (York-Sunbury): Everything to do with it.

Mr. DIEFENBAKER: That is what we are trying to find out, why the department should have these men brought back and their services not utilized when it was so necessary to secure an increase in forestry production in this country. Therefore, on three matters, regarding the three controllers under the minister's department—

Mr. CHEVRIER: May I ask what the hon. gentleman was reading from a moment ago?

Mr. DIEFENBAKER: I was reading from my notes.

Mr. MACKENZIE (Vancouver Centre): Pretty extensive, aren't they?

Mr. DIEFENBAKER: Here are three controllers under the minister. First, the controller—

Mr. CHEVRIER: On a point of order, the hon. gentleman, in making the statement which he did a while ago, was referring to a debate which took place in this house during this session.

Mr. HANSON (York-Sunbury): What debate?

Mr. CHEVRIER: A debate on the estimates of the Minister of National Defence.

Mr. HANSON (York-Sunbury): It is the same debate we are on now.

Mr. CHEVRIER: I refer you, Mr. Chairman, to page 95 of Beauchesne's Parliamentary Rules and Forms, citation 293, from which it appears that it is not permitted to refer to any debate of the same session on any question not then under discussion.

Mr. HANSON (York-Sunbury): It is the same debate now.

[Mr. Diefenbaker.]

Mr. CHEVRIER: Will the hon. member allow me to complete my statement? My submission to you, Mr. Chairman, is that the statement and the discussion so far are out of order.

Mr. GRAYDON: On the point of order, the parliamentary assistant, of course, has risen perhaps a little too hastily, because had he thought twice he would realize that the debate to which he refers is the same debate we are on now, namely, the war appropriation resolution debate. It is unfortunate that he rose at this time because I am afraid he himself is out of order in rising on a point of order.

Mr. ROWE: He just stuck his chin out a little.

Mr. MACKENZIE (Vancouver Centre): Not much cooperation from over there.

Mr. HANSON (York-Sunbury): What are you talking about cooperation for?

Mr. DIEFENBAKER: On the point of order, this is the same debate, the consideration of the war appropriation; and while we agreed, in the interests of convenience, as the hon. member for Weyburn (Mr. Douglas), said the other evening, to a division of the subject matter, nevertheless it is the same debate.

Mr. MACKENZIE (Vancouver Centre): An agreement which is not being observed.

Mr. HANSON (York-Sunbury): What are you talking about?

The CHAIRMAN: The committee must realize that we are dealing with matters pertaining to the war and war expenditures which parliament did not have to face prior to the war. At the present time we are dealing with the war appropriation bill under which these items come.

Mr. GRAYDON: We are not dealing with the bill, if I may say so.

Some hon. MEMBERS: Sit down.

The CHAIRMAN: It is a part of the bill; it comes under the war appropriation resolution. It is the resolution preceding the bill.

Mr. GRAYDON: It is the resolution but not the bill.

The CHAIRMAN: The discussion must of necessity be generalized in a way, although it was understood—I am in the hands of the committee and have no power to dictate to it—that members of the committee, in their discussion, would keep very closely to the items and department before the chair. So far this line of conduct or understanding has been

pretty well followed, and it should be fairly easy for the members of the committee to follow this precedent so as to keep within the limits of the item as much as possible. I must also make this statement. You must realize how hard it is for the chair not to rule in favour of the minister—

Some hon. MEMBERS: Oh, oh.

The CHAIRMAN: Let me finish my statement, please. I hope the hon. member for York-Sunbury (Mr. Hanson) will listen to me. My situation is difficult to the extent that when the minister says it is not possible to answer certain questions that have to be answered by another minister I must rule those discussions or questions are out of order under such conditions, and the answers can be given, when the proper items or department come before the committee.

Mr. DIEFENBAKER: Is it in order to go on, Mr. Chairman? It is rather difficult to know just where I was. I was dealing with the controls, and I was asking the minister—

Mr. HOWE: You were telling the minister.

Mr. DIEFENBAKER: —about the success of the controller appointed to improve conditions at Sutton-Horsley Company Limited at Leaside; second, about the success attained by the controller in charge of firewood; and third, the controller in charge of lumber production. I would point out in connection with the latter that in the instructions given to these men after they came back from overseas, brought back for the purpose of assisting in improving timber production, paragraph 6 reads:

> In the event that you do not apply for forestry leave you will remain in a military camp or depot until detailed for duty in the woods on army pay and allowances or until you are otherwise disposed of. It is not possible at the present time to give you much information as to employment on duty in woods operations as details of this have not yet been worked out fully with other government departments concerned. It may be noted that it is very unlikely that it will be possible to employ you with units of the Canadian forestry corps. It is more likely that you will be sent as one of a group to an existing civilian operation.

Bringing these men back from overseas and not knowing what to do with them when brought back for the purposes of timber production is a very serious matter and deserves to be explained by the minister and the other departments concerned.

Mr. NOSEWORTHY: The minister's statement, in which he reviewed his department, and his reply to the member for Rosetown-Biggar (Mr. Coldwell) earlier in the day, indicate, I think, certain things: First of all, the extent to which we were industrially unprepared for this war, as we were unprepared in the military sense; second, the extent to which the minister, as he claimed, was forced to take the enterprises that were at hand, the organizations that were at hand, in order to get the job done. It appears quite evident that he was pretty much at the mercy of enterprise as it was organized in the country. I think his speech also indicates the extent to which private industry in this country had failed to meet the demands of war and how necessary it became for the government to come to the assistance of private industry in that endeavour.

We learn that the government had to come to the assistance of enterprise to the extent now of somewhere about $900,000,000 of capital investment; that the planning of production that was needed had to be done by the government, and that priorities and controls were established by the government and crown companies were set up. Numerous private enterprises which had failed to deliver the goods were of necessity placed under government ownership in order to do the greatest production job that this country has ever undertaken. I wish to say at this point that those hon. gentlemen in this chamber who place their faith so unequivocally in private enterprise, who still believe that private enterprise is responsible for the production of war essentials and who want to depend so exclusively on private enterprise for our post-war reconstruction, would do well to consider the part that the government has been called upon to play in our war effort .

There are those in this committee who have been quite loud in their protestations about our lack of military preparedness when the war began, and who have been loud in adopting the attitude of "I told you so," and accusing others of being responsible for that lack of preparation. These same hon. gentlemen have been silent regarding the industrial handicaps that we suffered and slow to observe that many of those handicaps were deliberately imposed upon the country by privately owned monopolies and cartels. Only now are we beginning to learn the extent to which Germany had succeeded in the pre-war days in her twofold policy of arming herself and disarming the democracies. Germany's war preparation was just as effective in the field of science and industry as it was in the field of military preparation. Through her international cartels and agreements, her monopoly and restrictions on the use of patents, she was able to restrict the production of many essentials of the democracies to a point that required many years to overtake. Only by

an examination of our situation and its causes at the outbreak of the war, the hamstringing of our war effort, can we plan for our future security or learn how to avoid world war number three.

Almost every shortage that has impeded our war effort can be attributed to a cartel. When men died of malaria in Bataan it was for lack of quinine made unavailable because of the cartel which administered the affairs of the producers of that product.

When we tried to expand our factories and needed tools we were hamstrung by agreements which had been made between Carboloy Incorporated and Krupps. When we needed cobalt for its hardening qualities of steel in order to make our machine tools we found the Canadian field comparatively undeveloped because of international agreements and cartels. When scientific instruments were scarce and optical instruments were not to be found, and civilians were asked to volunteer their binoculars and high-powered cameras, it was because of agreements signed in 1921 for a term of twenty-one years between Bausch and Lomb of the United States and the Zeiss interests of Germany. When we were desperately in need of tin we found a shortage on account of similar tactics by the British-controlled cartel, the international tin committee. Just how far these huge corporations, enjoying the protection and freedom of our institutions and the legal protection which they enjoy under our patent laws, will be permitted to continue to exercise treaty-making powers in our essential commodities and strategic materials without supervision by the government and responsibility to governmental authority, will be one of the principal questions that we shall have to decide in all our post-war planning.

This afternoon the minister denied any association of his department with Canadian Industries Limited, a member, as the leader of this group has already shown, of an international cartel. I think in making his statement the minister must have had in mind his department's dealing with the matter of explosives; for I cannot think that this company which operates fifteen important divisions and on its own account supplies essential material for forty-five distinct war uses, has had no dealings with the government. I cannot think that company has had no dealings with the government through the minister's department.

I wish to deal with the question of the plant at Nobel, but before doing so I should like to give a brief resume of some of the activities of the parent company of Defence Industries Limited. Canadian Industries Limited, the company that is the sole owner of Defence Industries Limited. Canadian Industries Limited, as was pointed out this afternoon, is in its turn almost completely owned by du Pont and Imperial Chemical Industries, the first of the United States, and the second of Great Britain. This company was organized first in 1910 as Canadian Explosives Limited. It was organized by du Pont and Imperial Chemical Industries for the purpose of buying controlling interests in five or six small Canadian companies in which they were interested, five or six companies at that time engaged in the production of explosives. The company flourished during the first great war. The minister went to great pains to show that no great profits were made or that no one has yet shown that great profits, or profiteering, as he called it, has been shown by those engaged in the explosives industry during this war. I think we can say for his benefit that so far there has been no evidence of any profiteering on the same scale as that which took place during the last great war. This particular company, Canadian Industries Limited, flourished during the last war. In 1917 it paid on its invested capital dividends of 256 per cent. In 1918 its stockholders received a dividend of 56 per cent, plus 100 per cent stock dividend. In 1920 another 50 per cent stock dividend was paid to its shareholders. Probably not until somebody is capable of bringing to the light of day the hidden costs and the real profits that will be made in this war shall we know really to what extent profiteering has been going on.

In 1927 this company changed its name to Canadian Industries Limited. Shareholders were given six shares in the new company for each one in the old. So that when we estimate the profits which this company has made in this war, these profits must be multiplied by eighteen, if you are to relate those profits to the original capital investment; because the holders of the original stocks now hold eighteen shares for every one of their original holdings. Since the beginning of this war the net profits per share on the common stock of this company have ranged from $7.50 in 1919 down to $5.25 a share in 1943. This is quite a different picture from that of 1917, 1918 and 1919.

Already the statement has been made that this particular company, like other cartels, is above the regulations and laws of the country in which it operates, and that this particular company, through its agreement with du Pont and its other parent company, has restricted again and again both imports into and exports out of this country.

I have quite a few examples, and shall mention again one or two already mentioned. In

1928 Canadian Industries Limited attempted to export a new waterproof finish for shot shells to the United States. Du Pont, one of the parent companies, prevented this, and later took the patents of the new process for itself. In 1929 Imperial Chemicals and du Pont prohibited Canadian Industries Limited from exporting to the West Indies. At that time the Canadian government was subsidizing the steamship companies for transportation to the West Indies, and was anxious to increase our export.

There is a letter in existence from an officer of Canadian Industries Limited, written in 1939, in which he said he felt that the position of Canadian Industries Limited with its government would be strengthened if his company were free to quote on certain products in the West Indies, while at the same time protecting Imperial Chemical's prices, since the refusal to quote had led to complaints to the government.

Again in 1930 du Pont prevented this Canadian, or so-called Canadian Company, from selling finishes of the duco type for shipment to South America. In 1932 and 1934 du Pont prevented this Canadian company from exporting a product known as pontan, a coated textile product, because it would conflict with the parent company's product in Great Britain.

The story regarding imports is similar. In 1928 du Pont and Imperial Chemicals caused Canadian Industries Limited to enter into a contract with the Atlas Powder Company, and this is one of the reasons why, when war came, the explosives industry in this country was a monopoly in the hands of Canadian Industries Limited. Another United States company which had sought to export its products to this country was prevented from doing so by a contract under which it agreed not to export explosives to Canada, or to participate in any such business in Canada, leaving Canadian Industries Limited a clear field.

Prior to 1936 du Pont, Imperial Chemical Industries and Canadian Industries Limited, in order to eliminate competition between themselves and the Shawinigan Chemical Company entered into a contract with the Shawinigan company which provided that Shawinigan would restrict its activities in the chemical field to products made from acetylene, and that Canadian Industries Limited would refrain from manufacturing such products. Then, in 1936 a similar arrangement was made with the International Paper Company, which prevented the latter from entering the manufacturing of chemical products, and prevented Canadian Industries Limited from entering pulp and paper production.

In 1936 a similar arrangement was made with Courtaulds Limited whereby Canadian Industries Limited agreed to refrain from manufacturing rayons and Courtaulds from manufacturing chemical products in Canada. Similarly in 1939 Canadian Industries Limited and the Sauffer Chemical Company of California organized the Cornwall Chemical Company, to be the sole manufacturer of carbon disulphide in Canada, so that all competition in this commodity in Canada could be eliminated. I quote these as examples of monopoly and cartel control, in restricting both import and export trades into and out of this country respectively.

Mr. FULFORD: On a point of order, is there not a rule in committee stating that hon. members are not allowed to read their speeches?

Mr. NOSEWORTHY: I am referring to my notes, as numerous others have done.

The hon. member for Rosetown-Biggar this afternoon called attention to an instance where a board of directors of a United States company by resolution prevented Canadian Industries Limited, a major Canadian company, from engaging in export trade. That agreement actually prevented Canadian Industries Limited or any of its subsidiaries from exporting explosives to Great Britain or to any country in which the British Imperial Chemicals operated. It was only by special arrangement, and by the special permission of these parent companies, that Canadian Industries Limited was able or permitted to set up its subsidiary companies, and to export the product of its factories to Great Britain and to the other allied nations during the war.

I wish to read from a letter written by the president of the British company to the president of the United States du Pont company dated May 29, 1933, which indicates the extent to which these international monopolies interfere with the policies of government. This letter states:

> With a large organization such as we have I find it a good thing to issue warnings from time to time—one went out at the time of the Ottawa conference—so that everything possible is done to ensure that no prospective political or legislative action on the part of governments is permitted to influence relations between du Pont and I.C.I.

Du Pont replied June 17, 1933, as follows:

> If any legislation or any international agreements are brought about which affect these I.C.I. du Pont relations, I am sure we will be able to adjust ourselves so as to get the continued benefit of our agreements.

The hon. member for Rosetown-Biggar referred to the terms of a contract entered into in 1936, and I should also like to refer to

certain of those terms. First, the contract provided for the exploitation in Canada and Newfoundland of the products of Imperial Chemical Industries and du Pont through Canadian Industries Limited. That is, they eliminated any possible competition between the two parent companies. All the products of those companies not manufactured by Canadian Industries Limited were to be sold to them at prices fixed by the United States and British companies.

Second, du Pont and Imperial Chemical Industries agreed to grant C.I.L. exclusive licences under respective patents, inventions and processes which they owned or might acquire for the territories of Canada and Newfoundland. Canada agreed to grant du Pont and I.C.L. similar licences for use in the rest of the world outside Canada and Newfoundland.

Canadian Industries Limited was not to export from Canada and Newfoundland and du Pont and I.C.L. were not to export to Canada or Newfoundland any product manufactured by C.I.L. This is important because according to the agreements and the correspondence it is quite evident that the parent companies of Canadian Industries Limited never intended that Canadian Industries Limited or any of its subsidiaries should export from Canada any product made by either du Pont or Imperial Chemical Industries, and that only in the emergency of war, or in the event of an emergency arising which the British and United States companies were not able to meet, would they agree to permit the Canadian company to enter that field.

I have a question to raise, but I do not intend to do so in the way of criticism. I have visited a great number of factories and talked with a great many managers and workers; I have heard a great deal of criticism about production—I do not think any department spending such sums of public money as the minister's can expect to escape criticism and scrutiny—but I have not yet heard anyone criticize the minister on the ground that he had not done his job. I wish to say for his benefit that he took the conditions that prevailed, whether they were monopolistic, cartels or what they were, and he delivered the goods.

However, that should not blind us to the extent that we do not feel free to criticize the details of that administration. I want to admit publicly that I have no criticism of the extent to which the minister maintained production in this country during the dark days of the war, but I do think many of these monopolies were able to extract from the minister and his department agreements and conditions which he could not help granting because of the position which these concerns held in this country.

I wish to refer for a moment to the C.I.L. plant at Nobel. The minister told us a few days ago that this plant had been closed down for the time being because the bombed out plants in Great Britain were again in production. To what extent did that pre-war agreement between the parent companies of C.I.L. affect the closing of the plant at Nobel? To what extent was it true that just as soon as the English and the United States parent companies were able to meet the emergency, the agreement preventing C.I.L. from exporting came into effect? The minister probably knows the position better than I do.

Mr. HOWE: No agreement had anything to do with the situation at Nobel. The Nobel plant belongs to the Dominion of Canada, and the production was used to meet the requirements of the Dominion of Canada. The plant operated at full capacity as long as Canadian requirements called for that production. The falling off of requirements here, in the United States, and in England has caused the closing down of plants in all three countries.

Mr. NOSEWORTHY: I thank the minister for his assurance. Does the minister know whether plants of a size comparable with that of the one at Nobel and belonging to the du Pont interests have been closed in the United States?

Mr. HOWE: I do not think the du Ponts own any large explosive plants there, but I can assure my hon. friend that at least two of the largest explosive plants in the United States have been closed for the same reasons that closed this one, namely overproduction.

Mr. NOSEWORTHY: The minister assured us in his speech that the plant at Nobel would be kept intact for the time being. Citizens of Parry Sound and of Canada generally are much concerned about whether this plant can be used for peace-time production. I understand that some weeks ago a citizens' meeting was called at Parry Sound, but no satisfactory answer was given to the people. It might be interesting to recall a few of the facts about this plant. I placed a series of questions on the order paper on February 28, and I had hoped to have replies before this debate took place. I understand that the government has spent more than $20,000,000 on this plant and that it is equipped with a complete hydro system as well as a pumping system capable of pumping approximately 15,000,000 gallons of water a day. Both the

plant and the village are equipped with a sewage disposal plant and there are some three or four hundred war-time houses, a large machine shop, a carpenter shop, a welding shop, with a hospital and a modern school, staff houses, cookhouses and bunkhouses. The industry is the only industry between Orillia and Sudbury, a distance of from 175 to 180 miles, the only one from Georgian bay to Pembroke, a strategic position for a peace-time industry. Engineers who know that plant and its equipment—I can only quote them because I make no pretence at being an authority on the subject—have assured me that this plant could be readily converted to the production of plastics, an industry which will probably feature in future Canadian industrial life. I wish to ask the minister this question. Is it not true that the restrictive clauses in the agreement which this company was able to extract from the government because of its strategic position in the explosives industry preclude any possible use of that plant for peace-time production of any kind?

The plant is not to be used—

I am quoting from the sessional paper:

—for production of product or other explosives or any constituent elements thereof for other than military purposes.

Mr. HOWE: That would not interfere with a plant making plastics. The clause is restrictive as to making explosives, but as I said in making my statement, the plant can be used for other purposes than making explosives.

Mr. NOSEWORTHY: I presume that the chief difficulty in using this plant for the making of plastics is that only Canadian Industries Limited can use it, since I understand they have a monopoly in that field.

Mr. HOWE: Oh, no, there are dozens of firms making plastics using a great number of raw products. My guess would be that C.I.L. is one firm that does not make plastics, although I may be wrong.

Mr. NOSEWORTHY: Plastics is listed in the company's own literature as one of the products of its factories. Here is another clause in the agreement:

Defence Industries Limited is to make an offer if it desires to purchase the plant or any part thereof. If an agreement is not reached in sixty days, the government shall have a reasonable period to dispose of the plant to any other party on condition that it must be removed within ninety days from sale. If it is not sold to other party, the government shall remove the plant and level the site, or surrender ownership to the company without payment. The land is to be resold to the company for $1.

I find that restrictive clause in some of the contracts or agreements with Defence Industries Limited. It looks very much to me as though this company, because of its strategic position in this particular field, was able to extract from the government terms and conditions in the agreement which in effect will leave the government very little choice, when the war ends, except to demolish or remove those plants. That, of course, is a convenient arrangement for C.I.L. It leaves them entirely free to expand their peace-time production, and they have expanded enormously during the war. They can scrap the D.I.L. plants; their peace-time plants remain intact. They have no commitments; they have no plant; they have no expansions such as have been made for war purposes to worry about when the war is over, and of course they have no funded debt.

As I stated earlier, one of the great problems of any government that seeks to achieve maximum production when the war is over, or to use the productive enterprises of this country, will be the existence of these monopoly enterprises in this country, many of them with international interlocking directorates and cartel arrangements; and these monopolies will be emerging from this war—let us make no mistake about it—much more strongly entrenched than they were at the beginning of the war. The ineffectiveness of legislation or legislative control has been demonstrated, I think, in the United States. We find that notwithstanding our Combines Investigation Act, notwithstanding the glaring revelations before our price spreads committee some years ago, notwithstanding certain prosecutions which have taken place under the Combines Investigation Act, no effective control has yet been applied to these concerns. Hon. gentlemen may disagree with our plans or our policies for dealing with these concerns; but let me say that the future of any political body in this house—any political party, whether it be Liberal, Conservative, Cooperative Commonwealth Federation, or anything else—is not of paramount concern to this country. The future of Canada is the thing that is of paramount concern to this country, and whatever party seeks to govern this country when the war is over must face this question of cartels and cartel agreements, and must find some way of making these enterprises serve the interests of the common people.

Mr. HANSON (York-Sunbury): Mr. Chairman, I have taken very little time of the committee since the army estimates were before us. I listened with the greatest care to the minister's statement of two days ago, and since then have had an opportunity of

reading some of the documents which were then tabled and have now been circulated in pamphlet form among the membership of the house. Among these pamphlets is the printed report of the minister on "Government-Financed Expansion of Industrial Capacity in Canada as at December 31, 1943". It is based on and forms part of the minister's statement to the house on the 21st of this month and is intended for the consideration of this committee.

I was intrigued in looking over this booklet. I was astounded to observe that of a grand total of $714,000,000 invested by this department in fixed assets relating to war production facilities, general munitions, aircraft, shipping and other investments and fixed assets, less than a fraction of one per cent has been made in communities outside the central provinces. That is the position to which I desire hon. gentlemen to give their attention for a few minutes to-night. We have, according to the summary on page 2 of this pamphlet, a statement that for general munitions the commitment was $626,000,000—I am leaving out the odd thousands—and that the expenditure as of December 31, 1943, was $535 millions; that on aircraft production, including manufacture, overhaul and repair, and miscellaneous, the total commitment was $88 millions and the expenditures $70 millions; on shipping, total commitments of $40,500,000 and expenditures of $32,950,000; or a total for war production facilities of $639 millions of the taxpayers' money spent, as against a commitment of $755 millions which was permissible to the department.

If hon. members will follow along at the foot of page 2 of this pamphlet they will observe that the total of "other investments", under the expenditures heading is $75 millions, with commitments of $101 millions.

I ask hon. gentlemen to turn now to page 3 of this pamphlet, headed "Investment in war production facilities: chemicals, explosives and pyrotechnics", and observe that there is not a dollar of expenditure or of commitment for a single plant in the maritime provinces or the western provinces, so far as I have been able to observe.

Mr. HOWE: Oh, yes.

Mr. HANSON (York-Sunbury): All right, now; just point out where they are.

Mr. HOWE: Alberta, Manitoba, British Columbia.

Mr. HANSON (York-Sunbury): Well, I have gone over these, and I cannot recognize them by name as to geography, but I suggest to the minister that the great bulk of them are in central Canada and in the province of Ontario. Here you have part A, crown plants, government operated, Department of National Defence, $1,764,000 expended, and of course we do not know where that expenditure has taken place. I suppose it must be in some of the government arsenals, and certainly none of these is located outside the province of Quebec or the province of Ontario; at least none was in peace time. Under "crown companies, government operated", we have "nil". Then, "crown plants, operated by private corporation", which show a total expenditure net of $141 millions, and not a cent expended in the maritime provinces.

Mr. HOWE: Oh, what are you talking about?

Mr. HANSON: Well, all right. Does the minister deny that not a cent has been expended there? I am not going over the list seriatim. I said that not one cent has been expended in the maritime provinces in the category headed "C. crown plants, operated by private corporations." You have Alberta Nitrogen Products Limited; that was a plant erected in the province of Alberta. Then, Canada Cement Company, Canada Car Munitions Limited, again Canada Car Munitions Limited, Consolidated Mining and Smelting Company Limited, and then a long list of allocations to Defence Industries Limited. I could go right down the line and state with truthfulness that there is not one company on page 3 which operates in the maritime provinces. I challenge the minister to name them. If he will look at the page he will agree with me.

Mr. HOWE: Yes, that is right.

Mr. HANSON (York-Sunbury): I do not want to overstate the position.

Mr. HOWE: We tried to induce Fraser, of which my hon. friend is a director, to build, but they would not do so.

Mr. HANSON (York-Sunbury): No, and I will tell the minister why they would not do so; I will be perfectly honest about it. The directors of that company were exceedingly anxious to build that plant; and a company of which we have heard a good deal to-night came along and made such an attractive offer to Fraser's that it would have been foolish to have built the plant.

Mr. HOWE: In other words, Fraser's wanted to help the war, but they thought it would be cheaper not to.

Mr. HANSON (York-Sunbury): Fraser's have helped with the war. Believe me, they have helped. Their bits and pieces' record is the best of any plant in Canada—the Restigouche company.

Mr. HOWE: But my hon. friend is talking about chemical plants in the maritime provinces.

Mr. HANSON (York-Sunbury): I do not want my friend to throw any mud at the Fraser company.

Mr. HOWE: I am not throwing mud at the company; far from it.

Mr. HANSON (York-Sunbury): They have done a magnificent job, within their capacity.

Mr. HOWE: I know it.

Mr. HANSON (York-Sunbury): And I will tell you this: they have contributed millions in taxation to this war effort.

Mr. HOWE: But I am explaining why there was not a chemical plant in the maritime provinces.

Mr. HANSON (York-Sunbury): Well, it was a chlorine plant which would have cost a few thousand dollars and given very little employment. Much as I desired to have that plant built, mine was only one voice on a board of ten directors. So that the minister cannot get very much comfort out of that.

Mr. HOWE: I was hoping to comfort my hon. friend.

Mr. HANSON (York-Sunbury): But the main part of my charge against the location of these war plants is—and I do not think the minister will dispute it—that there has not been a fair geographical division in their location. I am going through this pamphlet, not seriatim—I promise the committee that—but page by page, and I will try to analyse it.

Page 4 covers crown plants, raw materials and other basic. With the exception of what may have been allocated under "D. privately owned and operated plants", Dominion Steel and Coal Corporation, amounting to a little over two and one-half million dollars, on that page there is not a single cent for any plant in the maritime provinces.

Mr. HOWE: What about Dosco? That is quite a sum.

Mr. HANSON (York-Sunbury): I said, two and one-half million dollars. I gave the minister credit for that.

Mr. HOWE: It is much more than that.

Mr. HANSON (York-Sunbury): That is under this one item, "raw materials and other basic"; it is divided up under the headings of materials and plants and that sort of thing. I am taking the table as I find it.

Mr. HOWE: Yes, but there is a sum of $2,980,000 plus $95,000.

Mr. HANSON (York-Sunbury): The minister can explain that when he comes to it. I cannot see the item he is talking about.

Mr. HOWE: That is under "D".

Mr. HANSON (York-Sunbury): Dominion Steel and Coal Corporation; I said that.

Mr. HOWE: You said, two and one-half million dollars.

Mr. HANSON (York-Sunbury): I said $2,527,000, and I suppose that was expended on the plate mill at Sydney which they put into condition in order to forward the government's shipbuilding programme—and very properly; I am not criticizing the expenditure. What I am trying to point out is that so little was done there compared with other parts of Canada. That is what our people are talking about and thinking about, and that is what they will be voting about some day.

Mr. HOWE: Well, let us go on through.

Mr. HANSON (York-Sunbury): All right, I will. But the minister might allow me to proceed; one at a time is enough. If you turn to page 5, table 1A—3, army and navy guns. The first one is "crown companies, government operated—National Railways Munitions Limited," $5,000,000 odd; none of that in the maritime provinces; "C. crown plants, operated by private corporations"; the only one I see there out of a total of $61 millions actually expended is the sum of $636,685 for Trenton Steel Works Limited, which is a subsidiary of Dominion Iron and Steel.

Then if you will turn to "D. privately owned and operated plants", the Eastern Car Company Limited got $2,022,000 out of a grand net total of $83,462,000, or about three per cent of the total under this heading.

Mr. HOWE: Oh, well now—

Mr. HANSON (York-Sunbury): Perhaps my mathematics is a little out. It may be four per cent.

Mr. HOWE: The total of D is $16,000,000.

Mr. HANSON (York-Sunbury): Yes, but it is the whole table I am talking about. For the whole table that I am referring to, which covers a net expenditure of $83,462,508, the actual total expenditure in the maritimes was $2,022,671. That is the only one in the whole page. Coming then to machine guns and small arms—

Mr. HOWE: None.

Mr. HANSON (York-Sunbury): None, not a dollar. While we are on that page I am going to ask the minister to be good enough to explain the position of the investment in the

Ottawa Car and Aircraft Company Limited. Once upon a time I undertook to investigate something in connection with that expenditure because my attention was called to it in the auditor general's report. I think that if the whole story were told it would be rather a sad one, not that people did not mean well. I am not attributing any particular fault to anybody except that perhaps the company was too ambitious. But the company could not perform, and I want to say this. It is my understanding that the department did everything it could within its power to help the company to perform. What the net result has been I do not know, but I understood that the requisition was withdrawn, and I suppose somebody is going to take a heavy loss there. I am not suggesting to the committee or to the minister that there was any fault or negligence on the part of the department. I wish to make that quite clear. And I am not making charges against anybody; but the operation, I am sure, fell down. Somebody took a substantial loss.

Mr. HOWE: I might explain that it was a complicated naval job—

Mr. HANSON (York-Sunbury): I know it was.

Mr. HOWE: —and there was great difficulty in getting into production. Shortly after it was in production we were notified that the gun was now regarded as obsolete and no longer required. I know it looks bad.

Mr. HANSON (York-Sunbury): I accept the minister's statement 100 per cent, but there was a loss.

That brings me to the consideration of another matter. The minister made a great statement the other day with regard to production of which this country ought to be proud. I am going to say that, and I have no doubt that Canada has done a good job in production. But the minister never told us about the failures that his department met with, and he must have had a good many headaches.

Mr. HOWE: Very few.

Mr. HANSON (York-Sunbury): I beg your pardon.

Mr. HOWE: I said, very few failures. I think the opposition touched on them all.

Mr. HANSON (York-Sunbury): I would just like to remark, in reply to that, that I do not believe the opposition has scratched the surface of the failures and extravagances. We have not scratched the surface of the failures and extravagances because we cannot get the information. It is denied to us on the ground that it is not in the public interest.

An hon. MEMBER: You scratched enough for all you found.

Mr. HANSON (York-Sunbury): I have not scratched much, my hon. friend, and if you will just keep quiet I will proceed with my remarks.

Mr. MACKENZIE (Vancouver Centre): Go on scratching.

Mr. HANSON (York-Sunbury): I am speaking for the part of the country I come from, and if the hon. gentleman comes to the maritime provinces he will find out what the people are thinking and saying there. If the minister comes down he will find out, too, about the allocation of these plants. I say that, with respect to the table to which I have so far referred, there is not one-tenth of one per cent of industry allocated to the maritime provinces.

I come now to table 1A—5 on page 7. The net total expenditure in that table is $75,854,000, and there has not been a dollar spent in the maritime provinces. Why could not some of these plants have been built in those provinces, so close to the seaboard, where the products could have been shipped overseas, and from which most of it was shipped overseas. Where was the Minister of Finance (Mr. Ilsley)? Where was the Minister of National Defence (Mr. Ralston)? Where was the Minister for Naval Services (Mr. Macdonald)? Where was the Minister of Transport (Mr. Michaud)? Are there any others of them from the maritime provinces? Why were they not doing something to allocate some of these plants to the maritime provinces? They were asleep at the switch; that is the reason why we did not get anything—and the people have memories. Make no mistake about that. The first head that shows itself in the maritime provinces is going to be shot off.

Mr. MACKENZIE (Vancouver Centre): The first Tory head.

Mr. HANSON (York-Sunbury): No; it will be a Liberal head in New Brunswick, in June. Just watch us go, and watch them go too.

Coming back to these plants, may I say that there was no reason in the world why we could not have made small arms ammunition in the maritime provinces just as well as it is made in central Canada, just as well as in the privately owned and operated plants that got so much capital assistance. I come now to table 1A—6, heavy ammunition. There is not a dollar there.

Mr. HOWE: What about T. S. Simms and Company?

Mr. HANSON (York-Sunbury): I am coming to that. I have it all marked here. I am glad the minister refers to that, because in the net total expenditure under this table, heavy ammunition, amounting to $36,881,700, T. S. Simms and Company got $96,972.

Mr. HOWE: What about Trenton Steel?

Mr. HANSON (York-Sunbury): I am coming to that, because there was a little there. There is a little plant in my own community, making certain kinds of practice shells, which got $50,001.

An hon. MEMBER: Made a good job of it?

Mr. HANSON (York-Sunbury): I think they did. I know we had hard enough work to get the plant started. It took us six months to beg the department to give us a little work. I went with the owners myself; I will say this, that they have kept that plant going pretty well, and we are grateful for what they did. It is a small plant making practice shells and things like that.

Mr. HOWE: There are engineering works.

Mr. HANSON (York-Sunbury): Wait a minute. The minister should not anticipate me because I am going to give him plenty before I am through. On page 8 will be found two plants in New Brunswick making shells. Creighton and Smith Motors Limited got $50,001, and the McLennan Foundry and Machine Works at Campbelltown got $203,694. May I tell the minister that the proprietors of the McLennan Foundry and Machine Works made thousands upon thousands of shells in the last war, and the Smith Foundry Company, predecessors of Smith Motors, also made thousands upon thousands of shells at that time and had an extremely fine record, and were only too anxious to go into the business again. There are two in New Brunswick.

Mr. NOSEWORTHY: They must have been Conservatives.

Mr. HANSON (York-Sunbury): It does not matter what they were. It is the country I am thinking about. The hon. member for York South closed his speech a little while ago on a very high and mighty plane. He was going to talk about Canada. The fate of political parties did not mean anything.

Then I come to page 9, Robb Engineering Works Limited of Amherst. They did pretty well. They have had an enviable record in days gone by. It is one of those plants that was bought up by the big corporations in central Canada and closed down. That is how we have suffered in the maritimes there in days gone by. Then there was Simms. I have already referred to them. Mr. Simms got the magnificent sum of $96,972 out of a total of $36,881,700. Let us go on. I turn to page 10, table 1A—7.

Mr. HOWE: On page 9 you will find the Trenton Steel Works. They are down there, too.

Mr. HANSON (York-Sunbury): Yes. I stand corrected. I am obliged to the minister for the correction. They received $746,000. The whole thing is nothing but chicken feed; when you add it all together it hardly makes chicken feed.

Mr. MACKENZIE (Vancouver Centre): That was carefully marked.

Mr. HANSON (York-Sunbury): I did it rather hurriedly, I will say that. But, as a matter of fact, what I am contending is true, that we have not had anything in relation to our strategic position as part of this dominion qua the other side, where all the stuff had to be shipped and where large savings in transportation facilities could have been made. Chicken feed is right.

Then, let us go to the table on mechanical transport. Well, we did not have any factories equipped for mechanical transport, and we could hardly expect to get any of the $10,000,000 that were expended under that table. I am not making any particular complaint about that. Then I come along to the table on tanks and armoured vehicles. This was all new work and I assume that it required big plants and a lot of expense, but we did not get any of that. No crown plants were built. No crown companies were operated. No crown plants were operated by the government, but there were crown plants operated by private enterprise and I suggest that we might have got a share of that. Then there were privately owned and operated plants. The total expenditure under that heading was $9,444,000, but nothing was spent in the maritime provinces.

I come now to signals, communications and instruments on page 12, table 1A—9. Total expenditure under that heading was $12,569,900 and not a cent spent in the maritimes. The bulk of that, of course, was Research Enterprises Limited, and, that had to be located near Ottawa somewhere. It would be unthinkable to put that down in the province of New Brunswick. That sort of thing just is not done.

Then we come to machine tools and gauges. A large number of more or less small companies participated in the government largess. The total expenditure was $5,050,427, and not a cent went to the maritimes. I do not understand why that work could not have been

done down there. It is said that the people down there did not have initiative. The people down there never had a chance to show initiative. They never were encouraged to show initiative.

Mr. KINLEY: The national policy.

Mr. HANSON (York-Sunbury): That is the policy. I am glad the hon. member for Lunenburg agrees with me that it is true, because he operates a machine shop himself. That ought to hold him for a while.

Then there is table 1A—11, general purchasing and miscellaneous, purchases of merchandise. Crown plants government operated, nil; crown companies government operated, nil; crown plants operated by private corporations, $5,000; privately owned and operated plants, general merchandising; Trenton Steel Works is the only one and it received $23,268 out of a total of $530,972,648.

Then I come to section B, aircraft manufacturing. I have failed to find anything that is specifically allocated to the maritime provinces except it may be the Canadian Car and Foundry Company Limited at Amherst, and I am not at all sure that any part of this sum was spent in the maritimes, although I am willing to assume that some portion, perhaps a substantial portion of the $4,144,000, was spent there, but outside of that there is no evidence of any part of the total of $53,000,000 odd spent in the maritime provinces.

Then there is aircraft overhaul and repair. There is a total of $13,828,833, and again I fail to find the names of any maritime province concerns except possibly it may be Canadian Car and Foundry which, I believe, operates a plant or does some repair work at its Amherst plant.

Then we have Clark-Ruse. I want to call attention to this about Clark-Ruse. They operate a plant over in Dartmouth. I was there the other day and I want the country to listen to this. They have seven or eight hundred employees.

Mr. MACKENZIE (Vancouver Centre): Poor old country!

Mr. HANSON (York-Sunbury): They have seven or eight hundred employees, and at five o'clock one evening a notice was posted on the board that the services of five hundred of these men would no longer be required. That is the notice they got.

Mr. HOWE: From when? These men are still working there. A notice was put up that after a certain date—

Mr. HANSON (York-Sunbury): Does the minister know that himself?

Mr. HOWE: Absolutely; I saw the notice.

Mr. HANSON (York-Sunbury): I will take the minister's word.

Mr. HOWE: Why make the statement?

Mr. HANSON (York-Sunbury): Where are they to be placed?

Mr. HOWE: Two thousand men are required in the same city for a similar class of work in the shipyard there.

Mr. HANSON (York-Sunbury): For aircraft repairs?

Mr. HOWE: No. We repair aircraft when they are damaged, and when they are not damaged we have no repairs.

Mr. HANSON (York-Sunbury): I am not questioning the fact.

Mr. HOWE: Then why are you—

Mr. HANSON (York-Sunbury): I wonder what the minister is going to do with them. I suppose he will fall back—

Mr. HOWE: Does the hon. gentleman suggest that this helps the employees in their—

Mr. HANSON (York-Sunbury): No; I imagine that is probably true. Five hundred men are going to lose their jobs and I ask the minister what is to become of them. I suppose he will fall back on the usual stereotyped answer that national selective service will look after them. I wish to tell him something about national selective service as told to me by an employer of labour going down on the train the other night. The government knows; I do not know whether it is the minister's department.

Mr. HOWE: It is a smoking-car story, I take it?

Mr. HANSON (York-Sunbury): No; it is right from the horse's mouth. The minister can take it from me, it is Simon-pure, and right out of the horse's mouth.

Mr. HOWE: It took place on the train; I presumed it was a smoking-car story.

Mr. HANSON (York-Sunbury): And that is a respectable place to talk about things; at least I hope so. This is about the Pennfield airport. We have heard something about the Pennfield airport; the hon. member for Charlotte knows something about it. The Pennfield airport was condemned by the Department of Transport. I was glad to see it built. I thought it was a proper place to have an airport. However its fortunes have been varied. Schools have been moved in and schools have been moved out. And we had it among the list of twenty-eight schools that were being closed down the other day,

the operational school at Pennfield airport. I do not know what they are going to do with the airport, but I will tell you what the government is doing. They have doubled the capacities of the runways, at a cost of $500,000, and the work is still going on. I should like the minister to explain what use they intend to make out of that airport when they have spent this additional amount of money in doubling the surface of the airport.

But that is not the point I wish to make. The contractor wanted a hundred men. He applied to national selective service in Saint John. He got fifteen men in two months—and only six of them stayed.

Mr. FACTOR: You are not blaming the Minister of Munitions and Supply for that?

Mr. HANSON (York-Sunbury): No; I am just passing out a bouquet to national selective service. They got fifteen men in two months, and six of them stuck. When the contractor complained they said they could not get them. Then they said to the contractor, "Can you?" "Yes", he said, "I can get them." And he got them. They said, "Go ahead and get them and report the names to us, and we will put them through as if we had got them." That is the wonderful performance of national selective service. They confessed their inability to get them, but the private enterprise got them.

Mr. FACTOR: Let us get back to the maritimes.

Mr. MACKENZIE (Vancouver Centre): Maritime rights!

Mr. HANSON (York-Sunbury): You bet. Then, Clark-Ruse has had an advance of about two and a half million dollars. I should like to ask the minister is that is recoverable, or if it is a dead loss. I would ask if that plant is closed down because of lack of work, and what is to become of it.

Mr. HOWE: My hon. friend has been complaining about no plants built in the maritimes. Now he has a very decent industry that has done a fine job and he asks if the money is recoverable.

Mr. HANSON (York-Sunbury): I have asked if that money is recoverable.

Mr. HOWE: Those buildings are owned by the crown.

Mr. HANSON (York-Sunbury): What are they going to be used for, if the work is to be closed down?

Mr. HOWE: If the maritimes keep yapping about them—

Mr. HANSON (York-Sunbury): "Yapping"?—I resent that.

Mr. HOWE: Yes, yapping; that is all.

Mr. HANSON (York-Sunbury): I never yap at anything. The minister is doing all the yapping now. And I say, too, that that is a very rude statement and he ought to take it back. If he is a gentleman he will take it back—and I know he is a gentleman, and I know he will take it back.

I now come to table 1B—3, at page 17, and turn to the heading "Aircraft miscellaneous", and notice that there has been some contribution by maritime provinces in shipbuilding. I turn particularly to part I, section C, table 1C—1, which refers specifically to naval shipbuilding, and shows an expenditure of $1,186,918 in connection with crown plants, government-operated. In the list there is the Princess Louise berth, wherever that is. Then under the heading "crown companies, government operated", we find Quebec Shipyards Limited and Toronto Shipbuilding Company Limited. Someone else can deal with the Toronto Shipbuilding Company. I understand the minister is not too proud of it.

Mr. HOWE: Part of that is in the province of New Brunswick.

Mr. HANSON (York-Sunbury): I would not think so. They had a little assembling plant at Indian Town. They brought them down, put them together and shipped them overseas, when they might have done a lot of things there.

I come now to privately owned and operated plants, and I find the Halifax Shipyards Limited got $579,160. Then there is another item for J. D. Irving Company Limited which, I suppose, was in connection with the landing barge programme, and they did not take up any amount. Of the $9,731,888 in connection with this table for naval shipbuilding, the maritime provinces got only a little over half a million.

We come now to cargo shipbuilding, and I call the minister's attention to table 1C—2 at page 19. Under this heading I find the Pictou berth, with a commitment of $388,300, and an expenditure of $301,054. I understand that that was for the building of a wharf at Pictou harbour. Was it done by the Fundy Construction company. I wonder if that has a familiar ring to the ears of any hon. members from the province of Nova Scotia. They will tell us who the Fundy Construction company is. They were paid a little over $140,000 for the work they did on that wharf, and then the wharf slid into the harbour.

Mr. MACKENZIE (Vancouver Centre): Is the harbour all right?

Mr. HANSON (York-Sunbury): You cannot laugh this off in that way. It may have been on account of faulty engineering, I do not know. But I suggest to the minister that some explanation is due the committee in connection with that expenditure. I am just trying to point out one or two of the headaches the minister must have had. I am not holding him responsible for this loss.

The CHAIRMAN: The hon. member has taken forty minutes.

Mr. HANSON (York-Sunbury): That is very good; I have done pretty well.

Mr. BENCE: Mr. Chairman, I believe the hon. member who has just taken his seat has considerable justification for the remarks he has made in connection with the allocating of war industries. But I do not think he has as much cause for complaint as those of us who come from Saskatchewan, because we have received absolutely nothing.

Mr. MACKENZIE (Vancouver Centre): He said that when he started.

Mr. BENCE: I started complaining over three years ago about that, and—

Mr. HOWE: Would my hon. friend let me make a comment?

Mr. BENCE: Yes.

Mr. HOWE: The greatest proportional increase in industrial activity in the Dominion of Canada during war time has taken place in Saskatchewan. Let him think that over.

Mr. HANSON (York-Sunbury): If there was nothing before, and you spend a dollar, what is the percentage of that?

Mr. BENCE: The minister knows that as far as our province is concerned it is still practically nil. However, I made my complaints and offered suggestions a number of years ago in connection with this matter, and I realize that we are now at a stage of the war where there is no particular use in dwelling upon things unless you think there is a possibility you may be able to get somewhere. I believe any hon. member from Saskatchewan, no matter from what party he might come, would be willing to put forth an effort if he thought he could obtain results.

The matter I should like to raise is in connection with synthetic rubber. Last year I spoke at some length in connection with this matter and made special reference to the production of rubber from surplus agricultural products. At that time the minister informed us that after due consideration it had been determined that the best process to produce rubber was by the use of petroleum. He stated that they had embarked on the programme and were going to see it through. At the same time he held out some hope that possibly in the future, if circumstances warranted, investigations might be continued into the production of alcohol from agricultural products. Last year the minister stated that the process they were using to produce synthetic rubber from petroleum had been obtained from the United States. He is reported at page 3700 of *Hansard* of June 16, 1943, as follows:

> Extensive development work in the processes involved in the production of butadiene from a petroleum base had been made in the United States, and Canada was offered the use of all information obtained on the same basis as similar projects in the United States.

And on page 3701:

> The problems of developing organizations to produce synthetic rubber in satisfactory amounts and qualities and of procuring or training the necessary operating personnel for the various plants in the Canadian project could, for obvious reasons, best be met and solved by following the main lines of the United States programme.

He went on to state that even though they had embarked on that programme it did not necessarily preclude the use of industrial alcohol made from agricultural products. If, as the minister stated the other day, this programme is a complete success, if it is the most economical means of producing synthetic rubber, then I and those of us who come from western Canada will have to be content for the time being. There are one or two points, however, I should like to draw to the attention of the administration before I ask one or two questions in connection with the operations of the plant at Sarnia.

As far as the use of surplus agricultural products are concerned, it is not so much a question of the cost per bushel of the wheat or the cost per unit of the agricultural product involved; it is more that we on the prairies felt that, because our agricultural production was so great that at times we produced more than could be used in Canada for food purposes or exported for the same purposes, therefore some of this production should be used in the manufacture of synthetic rubber. Last year the minister stated that the plant at Sarnia would be in full porduction by November. He stated also that they would be making in this plant 37,000 tons of buna-S rubber and 8,000 tons of butyl rubber when they were in full production. The plant was to be in full production by November of last year, but the other day the minister stated, as reported on page 1705 of *Hansard*, that it would not be in full production until May of

this year, as far as the buna-S plant was concerned, and until July, as far as the butyl plant was concerned.

I think the committee is entitled to an explanation for that delay. It is true it is only a matter of months, but there must have been some bottle-necks or mistakes encountered by those in charge of production, and possibly these might be worth following up in order that similar mistakes might be corrected in the future. The minister stated last year that the production of butyl rubber, which I understand is used for inner tubes, was to be 9,000 tons, but he now states that they are obtaining only 150 tons per month, or 1,800 tons a year. In other words, in order to meet that figure the increase in production between now and next July will have to be over fourfold.

My attention has been directed to certain newspaper and magazine reports in the United States to the effect that the synthetic rubber programme on this continent has not been quite as successful as those who devised the plants thought it would be. If the plant in this country is such a success and they are going on without much difficulty, perhaps the minister will explain why the United States, with whom we are collaborating, have not taken advantage of the wisdom which was apparently used by the Canadian authorities to obtain such a success in their programme? I was interested in reading in *Time* of February 14 of this year an article on rubber, where it is stated that they are using more alcohol to produce synthetic rubber than they anticipated using, whereas the petroleum end of it was bogging down. I should like to quote from page 33 of this magazine as follows:

> When "Bull Bill" Jeffers bowed out of Washington as rubber czar last September, he flatly announced: "The big job is done." In the long months that followed, optimism flowed from the rubber director's office; full-page, breast-beating advertisements of many an oil company happily assured the United States that the battle of rubber had been won. But last week, a sheaf of ominous straws fluttered out of Washington:
>
> The allotment of synthetic rubber previously scheduled for civilian tires in the next five months has been halved.
>
> OPA drastically screwed down tire rationing, shifted the rationing basis from mileage to essential occupations.
>
> Rubber boss Bradley Dewey slapped a ban on the use of synthetic rubber in many a civilian item, even nipped plans for girdle manufacture.

And further on:

> Out of alcohol. The famed Baruch rubber report handed oilmen the big job of butadiene production for buna-S (75 per cent butadiene plus 25 per cent styrene equals buna-S). Oilmen were to turn out 65 per cent of all United States butadiene production. The remainder was to come from the alcohol process, which was loudly damned as a farm-bloc plot to use up surplus grain.
>
> But by last week the alcohol process was the brightest spot in the picture. Paced by Carbide and Carbon's plants at Institute, West Virginia, and Louiseville, Kentucky, butadiene from alcohol is now actually furnishing 75 per cent of all butadiene. Built last year to produce only 220,000 tons, the plants have been geared up to 150 per cent of capacity, and can turn out an unbelievable 330,000 tons a year. Thus, the alcohol process has shouldered in to take over the big job. Even by the end of the year, when all petroleum butadiene plants will presumably be in production, alcohol will still furnish half the butadiene.

The article goes on to refer to the difficulty of obtaining enough grain to produce the alcohol, and I understand from what I have seen in the press that they are importing grain from this country for the purpose and also importing industrial alcohol. The article goes on to say:

> But Rubber Boss Dewey calmly points to the glowing alcohol-production record to prove that the programme was right, the oilmen wrong. The hard fact is that the much simpler alcohol process ran into fewer production kinks than those which knotted up petroleum butadiene production, split as it is among 13 companies, tinkering with five different processes. What worked like a dream in the laboratory is turning out to have some nightmarish bursts in big-scale production.

There is another statement in the article which interested me because we are producing butyl in the plant at Sarnia. It says:

> But the biggest "if" of all in the rubber programme is butyl, the synthetic from which inner tubes were to come. Ex-Trust-Buster Thurman Arnold once hailed butyl as the king of all rubber synthetics, and roundly denounced Standard Oil (N.J.) for not putting it on the market. Standard's prompt protests that butyl was not perfected went unheard. But butyl, which was once programmed to supply 75,000 tons a year, proved Standard right, Arnold wrong. It is strangled in the intricacies of manufacture.

It seems to me that these are very interesting points. The article, of course, may not be accurate; I do not know about that; but it seems to be well posted, and so far as I know its accuracy has not been challenged, or, if it has, this has not been brought to my attention. I should like to know from the minister whether or not the plant at Sarnia has been proven to be a complete success, and that while in the United States they are having difficulty with synthetic rubber production, nevertheless in this country we are completely successful. I should also like to know that in connection with butyl rubber, which is the only kind that can be used for inner tubes, we have nothing to worry about. I sincerely hope

that the belief of the minister that the difficulties have been completely overcome will be justified by the facts, because this is a most important matter for the Canadian people and for Canadian economy, and it seems to me from the reports we get from the United States that there is sufficient doubt about the process to warrant the administration continuing actively to canvass the question of a more intensive production of industrial alcohol from agricultural products to supplement, if necessary, the present programme, and at the same time give the agricultural areas of the west a use for their surplus products which cannot find their way into foodstuffs.

Mr. ADAMSON: I should like to ask the minister a question which was raised this afternoon but to which I do not think an answer was given. I refer to the Sutton-Horsley plant, where the minister put in a controller by the name of Pinchin. The International Association of Machinists has complained that this controller has cut the number of workers from 1,200 to 400, and the rumour is that the entire plant is going to close down. I understand that they are making gauges for aircraft and for other purposes. Naturally a considerable amount of concern is felt by the workers in that plant.

The minister has not said anything about the effectiveness or otherwise of the utilization of machine shops, particularly in the mines, in making war material. There was quite a programme at one time to have the machine shops of the various mining companies making certain types of equipment as subcontractors for war industry. Has this programme been carried out; if so, to what extent, and has it been successful?

The parliamentary assistant to the mniister spoke this afternoon of the audit of fixed price contracts and said that when it was found upon investigation of a fixed price contract that a large or unnecessary profit was being made, after an audit of the company's operations a new price was agreed upon and made retroactive. I think the committee would like to have a little more detail of the methods of that process. Let us say that a base price of 100 units is fixed, and that at the end of the first three months operations the company produces material for eighty units of cost, making a profit of twenty units. Assuming that we consider that five per cent is a sufficient profit; there is a fifteen per cent excess profit, shall we say, over the fixed price. What is the machinery set up? Does the government go into that factory and say: We want the fifteen units of profit that you have made over the last three months? Or does it say: You can keep that excess profit and we will now allow you eighty-five units of cost? I think the committee would be interested to have that information with regard to the revampnig of the fixed price contracts.

I believe the committee would also be interested in having information with regard to the cost of production of aircraft. We know it is impossible in the early stages to give any idea of the cost of production of aircraft. It is very difficult even to set a target price for aircraft when you are starting on the manufacture of a complicated air frame such as the Lancaster or the Mosquito. What I should like to know, however, and what I think the committee would like to know, is what is done as to a reduction in price for the manufacture of the Lancaster and the Mosquito as the programme has proceeded. I think the minister said that forty-nine Lancasters have been built—

Mr. HOWE: I said thirty-nine.

Mr. ADAMSON: Probably the base cost can now be obtained and some estimate of future cost arrived at. I think that is information which it is legitimate for the committee and the country to have.

With regard to the re-negotiation of cost-plus contracts. The cost-plus contract is, I suppose, a necessary evil in war time. It must happen when you are dealing with new operation, new factories on which no base rate can possibly be known. But when a base rate is known in the operation and a reasonable estimate can be made of the cost of the operation, even one as complicated as the building of aircraft or the operation at Research Enterprise Limited, what is the machinery here again for re-negotiation of these cost-plus contracts?

I have one suggestion to make to the minister. During the war we have developed a number of strategic minerals. I shall not go through the list; they are well known to the committee. Ore bodies were delimited and discovered, and actual production took place in many instances. We now find that because of the easing of the supply, or because of the bringing in of supplies from elsewhere, these operations are no longer economically feasible for the country to carry out. I speak in particular of the Emerald mine, the tungsten deposit in British Columbia. Apparently the mine is now closed down. We have developed an operation which, because tungsten can be produced cheaper, in greater volume, or for other reasons in the United States, is now closed down. With all metals, their use depends upon the amount of research that goes into the work on them. It is well known that after the last war the International Nickel company found itself with a terrific production of nickel and no market. They

went and carried out by themselves one of the most intensive research programmes ever known on this continent. In consequence, not only did the demand for nickel come back to where it was in the last war, but it tremendously increased. I believe there were developed something like 250 separate alloys containing nickel, and to-day there is hardly an industry, hardly a machine, which does not contain this vitally important metal. Now, it seems to me that we, having developed these strategic metals, unless we can provide through research a use and a market for them, shall find ourselves with a development which is closed down and in which our investment as a country is lost. I suggest to the minister that one of the first priorities is to see to it that adequate research is carried out now so that new uses for these strategic minerals and metals can be found. That is an essential and important move at this stage of the war.

There has been a considerable discussion this afternoon on cartels. I was interested to note that the leader of the Cooperative Commonwealth Federation mentioned Canadian Industries—the I. G. Farbenindustrie—Imperial Chemical and du Pont. I brought this matter up in the house early in February. I think that, when we are dealing with something as abstract as cartels something which can be so misrepresented, and as to which so much misinformation can be injected, some statement might be forthcoming in this chamber concerning international cartels. I wish to quote two paragraphs from a paper delivered at the annual meeting of the Canadian Institute of Mining and Metallurgy this month by Professor George B. Langford, professor of mining geology, University of Toronto. Dealing with cartels in the mineral industry, he has this to say:

> Cartels and monopolies have existed, and now exist, in the mineral industries. Some have been outstandingly successful and others equally unsuccessful. When the time comes to put into effect the mineral industry policy advanced here, the history of the international metal cartels will be a useful guide in working out details, and also in pointing out pitfalls to be avoided. For the purpose of this discussion, only the briefest mention will be made of some of the features of such organizations that are of interest in formulating a post-war mineral control policy.
>
> Outstanding is the International Nickel Company of Canada, a virtual monopoly controlling 80 to 90 per cent of the world's supply of the metal. Since 1926, this company has found it advantageous to maintain a fixed price for the metal, irrespective of violent fluctuations in general economic conditions. It has also adjusted its production to meet market demands and thus has prevented over-production.
>
> The tin cartel, an association of individual companies brought together by international agreements, was sponsored by the governments of the several producing nations. It has been referred to as the most successful metal cartel. It was formed in 1933 as the only logical cure for a badly disorganized and over-produced industry. Previous to its formation there had been several other curative methods tried without success. The object of the tin cartel was stated in the first clause of the agreement for the international tin control scheme: "The scheme is intended to secure a fair and reasonable relation between production and consumption with a view to prevent rapid and severe oscillations of prices and to ensure the absorption of surplus stock."
>
> The operations of this cartel proved the feasibility of international political control in mineral industries.
>
> The aluminum industry in North America has operated as a monopoly because of cartel agreements with European producers. This monopoly has not always operated in the best interests of the consumers, and demonstrates the inadvisability of leaving the operations of such organizations without suitable controls.

Professor Langford goes on to mention copper cartels and other cartels which have failed. I merely mention this to show that cartels, as a method of regulating mineral production and as a method of preventing violent swings of price and instability of employment, and for other reasons, are not always a bad and vicious thing, and I mention here the tin cartel as an example.

I had not intended to speak at such length, but in view of what has been said this afternoon I brought this up.

Mr. BURTON: It is not my intention to make a speech, but I would ask the minister a question or two. First, I should like to ask him whether any cooperative organizations, especially Cooperative Implements Limited, made any representations or request to his department or to the government with a view to obtaining from the government those surpluses he referred to the other day when he was speaking, or possibly even the disposing of those surpluses after the close of hostilities. If they have made representations, I would ask him whether his department or the government are prepared to give any consideration to these requests at the present time.

Many of us farmers feel keenly about this, because for quite a number of years now we have found ourselves severely handicapped in carrying on our farming operations, first through inability to purchase the new machinery we required owing to the prices we were receiving for our products; and later on, now that we do have a little money to buy the necessary machines, we find ourselves unable to get them because the machines are not there or there are not enough to go around. To make matters worse, after we had become quite adapted to the repairing of our machines out of our scrap-heaps, along came an order

from one of the boards under the minister compelling us to dispose of our scrap metal which we had on our farms, leaving us only a very limited amount of scrap with which to continue repairing our machines.

Some of us felt rather hot under the collar when we were forced to deliver our scrap for $7 a ton, much of which we had to pay $700 a ton for when we bought it.

Mr. HOWE: Who used the force that made the hon. gentleman deliver the scrap?

Mr. BURTON: There were different advertisements in the newspapers, in my part of the country at any rate, that gave us up to a certain time to have that scrap delivered at certain places, failing which there would be penalties if we were found with more scrap than a certain number of pounds on our farms. I am sorry I have not the advertisements here, but I am sure the minister must know something about it.

Mr. WARD: Did you deliver the scrap iron?

Mr. BURTON: I certainly did. It cost me more in time gathering the stuff and hauling it than I got out of it on top of all the other misery, and then we had not what we needed to keep on repairing our machinery. Incidentally, some of these scrap heaps were lying around the railway sidings for quite a time. But I am not arguing about that. I realize that, under the circumstances, the boards may have justification in calling in that scrap, and in spite of the fact that we delivered scrap for $7 a ton, which cost in some instances $700 a ton when we bought the implements, nevertheless we were prepared to do that. We consider, however, that some of this surplus equipment, it may be in the line of trucks, or jeeps or other equipment; it may be even in some of the plants in which the government is interested, might be made available to the farmers so that they might get the necessary material at reasonable cost.

If the minister would rather discuss this question when he is before the house with the bill to which he referred the other day, dealing with the Assets Disposal Corporation, I am prepared to let the matter stand until then. In the meantime, I would impress upon him that the farmers in the west expect that as soon as possible their cooperative organizations shall be given an opportunity to take part in handling some of that equipment, at least so far as it is adaptable to agricultural purposes.

Mr. FRASER (Peterborough West): I am suspicious of people who say they are not going to make a speech, like the hon. gentleman, who made a good job of it. In regard to scrap metal on the farms, I know that in our section of the country there were notices in the newspapers, but our farmers never figured on anything for the scrap. They gave it to the Red Cross Society.

In the minister's speech it appears that of small craft, 3,600 were delivered out of a total of 4,300 orders placed, and the rate of deliveries in 1944 will be about the same as 1943. I should like to know from the minister where those small craft were delivered. In one newspaper item the statement is made "Landing craft a big item now in shipbuilding". I asked the Minister of National Defence for Naval Services (Mr. Macdonald) on March 17 a question in regard to small craft. I said:

What about landing craft and seeps?

The minister replied:

No, not for our navy.

Where did those go to? Did Canada get any of those delivered, or were they all for the United States and Great Britain?

Mr. HOWE: Is the hon. member speaking of landing craft?

Mr. FRASER (Peterborough West): Landing craft, jeeps, seeps, ducks and other small boats of that kind.

Mr. HOWE: Quite a number were delivered to the Canadian navy. All landing craft were delivered in the United Kingdom, but I believe all our small boats programme was divided between the Canadian navy and the British navy.

Mr. FRASER (Peterborough West): Why would the Minister for Naval Services make that statement? I asked, "What about landing craft and seeps?" and he distinctly said, "No, not for our navy".

Mr. HOWE: Did the hon. member mean the assault craft?

Mr. FRASER (Peterborough West): The seeps are the ones that can go on land and water.

Mr. HOWE: We are not building any. Perhaps my hon. friend is referring to the landing craft.

Mr. FRASER (Peterborough West): The ones with open bow?

Mr. HOWE: L.S.T. type.

Mr. FRASER (Peterborough West): A large type or a small type?

Mr. HOWE: We are building the large type at the moment. We are building the type called the L.S.T., which is a very large type.

Mr. FRASER (Peterborough West): What tonnage would that be?

Mr. HOWE: Quite large, perhaps eight or ten thousand tons.

Mr. BENCE: Could I obtain under this item answers to my questions in connection with synthetic rubber plants?

Mr. HOWE: I think I made a statement this afternoon that covered the entire field of the questions asked by my hon. friend.

Mr. BENCE: No. I should like to ask the minister the reason why last year he stated he anticipated that the plant would come into full production by November, and now he says it will not come into full production until July after the butyl production is brought up a considerable amount. Was there any particular reason why there was that delay?

Mr. HOWE: The plant was in production last November.

Mr. BENCE: Yes, I know.

Mr. HOWE: In production before that. Full production means, of course, every unit operating at capacity, and it is not up to that now. As *Time* magazine stated—and it was quite correct with regard to one feature—butyl production turned out to be a very difficult process. As I stated this afternoon, we planned these plants before buna-S or butyl rubber had ever been produced on this continent outside of a laboratory. It was believed in the early stages that it would be easier to make butyl than buna-S. It turned out in practice that there were difficulties in large scale operation in connection with butyl, but those have been overcome and butyl production is stepping up very satisfactorily.

Mr. BENCE: Last year the minister stated that he anticipated the production of butyl would be eight thousand tons. The other day he said four thousand tons. Is that because of the difficulty that we have run into in connection with the production?

Mr. HOWE: No, I do not think so. I am not sure whether the figure is four thousand or eight thousand. Perhaps the eight thousand figure was wrong. Whatever we planned originally will be produced.

Mr. BENCE: According to the minister's statement of last year eight thousand tons were planned originally. I was wondering why four thousand tons were mentioned in the statement the other day.

Mr. HOWE: I do not think the unit was dropped. It may have been dropped, but I do not think so. I shall get the answer and give it to my hon. friend. I think I was correct in the first statement that we shall eventually have eight thousand tons of butyl, but sometimes changes are made. I do not recall a change in that particular capacity. Sometimes we slip from one product to another while we are building the plant, but I shall look into the facts of the matter as to butyl.

Mr. ADAMSON: Has the minister any information about the plant at Sutton-Horsley?

Mr. HOWE: Yes, Sutton-Horsley was a small operation stepped up into a very large operation. We had a need for a large number of instruments for trainer aircraft and a contract was given to Sutton-Horsley. Considerable advances of working capital were made and it was found that the finances of the company were being badly handled. The inventory on hand did not represent the advances made. We therefore put in a controller in the person of Mr. Pinchin to straighten out the operation, and particularly the finances of the company. He succeeded in doing that. All the operating capital put in by the government was recovered and the receivership was ended. The fact that the work has dropped off recently is on account of the falling off in the production of trainer planes. They have dropped sharply as a result of the curtailment of the air training programme, and the future of the existing contracts depends entirely on the future production of trainer aircraft in this country.

Mr. BURTON: Would the minister care to discuss the question to which I referred?

Mr. HOWE: Yes. We had representations from this cooperative. The representations were turned over to the crown assets allocation committee. The difficulty at the moment is that no department of government has declared agricultural implements or anything resembling them a surplus; therefore we have nothing to send to the cooperative at the moment. Their request is on file, and as soon as we have the type of implement in which they are interested we shall be glad to have their help and the help of other cooperatives in distributing the production in the area in which they operate.

Mr. NICHOLSON: On page 5 of the report made available to members to-day appears an item for Frost and Wood of $281,146. I understand that this company at Smiths Falls has recently received an order for a thousand reapers and some work has been done on retooling. I wonder if an order of that kind would come through Munitions and Supply and, if so, what country at this stage of the world's history is going back to the reaper? Are we to make it possible for tight materials

to be made available for the making of reapers? Has the minister any information about that?

Mr. HOWE: I may say that Frost and Wood had a contract through my department for making gun carriages, I think it was. I believe that contract has been completed. I am sure that if they have a contract for reapers it is a contract they received through the ordinary channels of trade. My department does not buy reapers.

Mr. NICHOLSON: Is there not a department concerned about the releasing of tight materials for the manufacture of an article like the reaper? Surely it should be a matter of government concern as to whether or not Canadian workmen and Canadian materials are to be used for the manufacture of reapers?

Mr. HOWE: There is no tight material situation associated with that type of production.

Mr. NICHOLSON: Farmers across the country are being told that there is a serious shortage of all the materials used in the manufacture of farm implements. If we can release materials for the manufacture of reapers I should imagine that those materials should be made available for other much more necessary instruments of production. I have not seen a reaper in operation during my lifetime. It seems a pity that workmen and materials should be used, if my information is right, in the manufacture of reapers.

Mr. HOWE: I really cannot say. That contract was not placed by the Department of Munitions and Supply. I do not know the story.

Mr. ADAMSON: Has the minister any information about the cost of aircraft?

Mr. FAIR: Are we to understand that there is no longer a shortage of material used in farm implements?

Mr. HOWE: That is correct.

Mr. FAIR: Are we to have all the instruments we need?

Mr. HOWE: I did not say that. If you cannot get them it is not a matter of materials being in short supply.

Mr. FAIR: I notice farm implements are rationed and we have quite a few complaints coming in of people not being able to buy the implements. If the materials are there, it would be a good idea to put the workmen to work.

Mr. HOWE: If my hon. friend can find any spare manufacturing capacity I am sure we shall be glad to use it for that purpose. The industry is working at full capacity at the moment.

The price of aeroplanes is not a subject to discuss in five minutes. If my hon. friend is interested in the price of aircraft I shall take fifteen minutes to-morrow and give a lecture on the subject.

Mr. ADAMSON: I think it would be interesting in view of the policy the minister has brought down in regard to post-war civil aviation. It might be a complementary subject which would be of interest to the hon. members.

Mr. HOWE: I shall be very glad to do that, but it is not a subject on which you can say, what does this plane cost? To take a figure and compare it with the cost of another plane somewhere else, and then to decide that one plant is doing much better than another. I will show how the manufacturing costs of aeroplanes vary with the size of the contract and the range of the run, the number of units produced. After that I shall be glad to discuss costs, but I think it is important to have a background.

Mr. ADAMSON: That is what I hoped the minister would do, and in the same way I should like to get some information from the parliamentary assistant with reference to the methods of reallocating contracts.

Mr. CHEVRIER: I think I can give my hon. friend that now. He spoke first of all of the cost-plus contract, which he said was a necessary evil. That is true; but it is a fact also that we have tried in the department to get away from cost-plus percentage contracts, and we have done very well over a period of time. I went on to discuss this afternoon the main purchasing branches of the department, and I think I showed how, in each of those, the percentage had gone down tremendously. Last year I was able to say that four-sevenths, in point of number, of contracts granted in the department were on a fixed price basis. This year there are substantially more than that. I do not know what they are, in point of numbers, but there are certainly five-sevenths, if not six-sevenths.

Then, with reference to re-negotiation, re-negotiation is brought about by our cost accountants, who are stationed in plants and who, when they have evidence of undue profits, re-negotiate immediately. The re-negotiation in the department is a retroactive re-negotiation. That is, it is one which dates back to the original date of the contract. In other words, if a re-negotiation begins now—to-day—and we find there is undue profit, the price will

revert to the date of the original contract. This afternoon I compared our system with that in Australia, where re-negotiation is not retrospective, and dates from the time of re-negotiation. I believe those are the two questions which were asked.

Mr. ADAMSON: That is the question in which I am interested. If, because of increased efficiency in a plant, the manufacturing cost comes down, and undue profit is being made, it might be that undue profit was not being made at the beginning of the contract because the operation was not handled as efficiently as it was six months later. Then the department re-negotiates at the beginning of the contract, and reduces the price of the article from that time. It seems to me that the department is going to cause considerable loss, if it does that, because the first period of production might have been nearer the fixed price allotted by the department. Only after six months, or a period of time has elapsed, and because of increased efficiency is an undue profit being made. It seems to me that if they are made retroactive, the department will be paying less than the article actually cost during the first period of the contract. It appears to me that there is that danger.

Mr. CHEVRIER: That is exactly what we have done, that is, we re-negotiate them as of the date of the original contract.

While I am on my feet perhaps I can answer before eleven o'clock some of the questions asked this afternoon and this evening. The hon. member for Lake Centre asked for some particulars with respect to re-negotiation. He wanted to know the numbers. There are eighty-three re-negotiations which have taken place. The value of those re-negotiations amounts to $119,107,000. Then, with reference to the number of cancellations of contracts, my hon. friend will appreciate that cancellations have to do not only with prime contractors but also with subcontractors, and therefore it is impossible to obtain the information. I cannot give him the number of those.

While I was speaking he asked me to give the percentage of profit allowed to aircraft operating companies. In the department we aim at five per cent. Sometimes it is under that, and sometimes over. But the profit is in the order of five per cent, with something better in certain cases where unusual skill has been shown, and something less in other cases. There are also some occasions where the fee is fixed. For instance, there is the cost plus a fixed fee.

Mr. DIEFENBAKER: How much does "something more" amount to?

Mr. CHEVRIER: It depends upon the circumstances, and I am not in a position to give any further details. As I said before, the target is five per cent. We aim at cost plus five per cent. There are cases where it is under that amount, and other cases where it is over.

The hon. member for York-Sunbury asked some questions yesterday with respect to the subsidy on wood fuel. The total production subsidy is $757,664.15. This represents a payment of one dollar a cord on all commercial wood fuel cut on or before March 1, 1944, and delivered to a dealer or held to his account after March 5, 1943. In addition to the production subsidy, transportation subsidies amounting to $257,639.71 have been paid. These payments cover such portion of the transportation costs incurred by wood-fuel dealers in the transportation of wood fuel. Both of these subsidies are paid by the Commodity Prices Stabilization Corporation on receipt of a certification by the wood-fuel controller.

The hon. member for York-Sunbury also asked what quota of heavy-duty trucks are being imported into Canada.

Mr. TUSTIN: How is the subsidy on transportation arrived at?

Mr. HOWE: If wood is required in an area, and must be brought in from outside the normal sources, the transportation bonus is paid, representing the difference between the normal cost of transportation and the actual cost paid from the greater distance. We had a situation that represented, among other things, a very bad distribution of wood. The normal sources could not be developed sufficiently to produce the required supplies and, as I say, we went outside the area. For instance, at the head of the lakes we cut 75,000 cords of wood as a reserve supply for points both east and west of the head of the lakes. That is not a normal operation; it was an emergency. And moving wood from that emergency store, either to Winnipeg or to the east, involved an abnormal cost that was covered by the transportation bonus.

Mr. CHEVRIER: Perhaps I might continue. I had referred to the question by the hon. member for York-Sunbury as to the quota of heavy-duty trucks being imported into Canada. The answer is that heavy-duty trucks of 16,000 pounds or over, gross vehicle weight rating, are not produced in Canada. The quota of imports from the United States is fixed by the motor vehicles controller in consultation with the director of the automotive division of the war production board in the United States. The quota in 1943 was seventy-four; the quota in 1944 is 207.

Then the hon. member for Peterborough West asked a question with respect to glycerine. The answer is that glycerine is now on the free list, by virtue of order CC-2-B-3 of December 31, 1943. At that time all restrictions on glycerine were lifted.

Mr. STIRLING: The minister will remember that he undertook to bring down a statement with regard to the processing of coal at the mine. Will he be good enough to make a statement to-morrow?

Mr. HOWE: My hon. friend spoke about processing coal at the mine head. We are doing no processing of that type in Canada at this time. But the Department of Mines and Resources are continuing studies on the hydrogenation of coal at this time. In fact a special laboratory has been built for that purpose. The subject matter will be considered very carefully. It is appreciated that it would be a favourable way to deal with some of the western mines, particularly if it turns out to be an economical process. We are hoping that some progress may be made.

Mr. STIRLING: It has not got beyond the experimental stage?

Mr. HOWE: No.

Item stands.

Progress reported.

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

Friday, March 24, 1944

The house met at three o'clock.

CANADIAN WHEAT BOARD

ANNUAL REPORT FOR CROP YEAR 1942-43

Hon. J. A. MacKINNON (Minister of Trade and Commerce): Mr. Speaker, I wish to table the annual report of the Canadian Wheat Board for the crop year 1942-43. I suggest that the report be referred to the committee on agriculture.

INTERNATIONAL AGREEMENTS

CANADA-CHINA—MUTUAL AID—WAR SUPPLIES

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I desire to table three copies in English and three copies in French of the Mutual Aid agreement between Canada and China on the principles applying to the provision by Canada of Canadian war supplies to China under the War Appropriation (United Nations Mutual Aid) Act of Canada, 1943, signed at Ottawa, March 22, 1944. The principles embodied in this agreement between China and Canada are similar to those that are embodied in the agreements I tabled last week between Canada and the United Kingdom and Canada and Russia. The text of this agreement is to all intents and purposes the same as that of the United Kingdom agreement.

Mr. GRAYDON: Are there any more agreements to be tabled?

Mr. MACKENZIE KING: There will be, at least, one more, yes.

CANADIAN NATIONAL RAILWAYS

REFERENCE OF BUDGET AND REPORT OF AUDITORS TO RAILWAYS AND SHIPPING COMMITTEE

Hon. J. E. MICHAUD (Minister of Transport): Mr. Speaker, I wish to table the report to parliament of George A. Touche and Company, auditors of the Canadian National Railway system, for the year ended December 31, 1943, and the financial budget of the Canadian National Railways and Canadian National (West Indies) Steamships Limited for the calendar year 1944. I move:

That this report and the financial budget be referred to the standing committee on railways and shipping owned, operated and controlled by the government.

Mr. HANSON (York-Sunbury): Does the motion include the auditor's report?

Mr. MICHAUD: Yes.

Mr. HANSON (York-Sunbury): It should be in the motion.

Mr. MICHAUD: The auditor's report is to parliament.

Mr. HANSON (York-Sunbury): It ought to be referred to the committee as well.

Mr. SPEAKER: The motion will read:

That the financial budget of the Canadian National Railways and Canadian National (West Indies) Steamships Limited for the calendar year 1944, also copy of the auditor's report, be referred to the standing committee on railways and shipping owned, operated and controlled by the government.

Motion agreed to.

RADIO BROADCASTING

APPOINTMENT OF B. K. SANDWELL AS A GOVERNOR OF C.B.C.

Hon. L. R. LaFLECHE (Minister of National War Services): Mr. Speaker, may I table copy of order in council P.C. 2120 of March 24, 1944, appointing Mr. Bernard Keble Sandwell a governor of the Canadian Broadcasting Corporation.

Mr. GRAYDON: Is Mr. Sandwell to be the new chairman of the board of governors?

Mr. LaFLECHE: I cannot answer that question.

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 39, respecting the New Brunswick Railway Company.—Mr. Emmerson.

Bill No. 40, respecting Gore District Mutual Fire Insurance Company.—Mr. Homuth.

PENSIONS

WIDOWS OF VETERANS OF FIRST WORLD WAR

On the orders of the day:

Hon. IAN A. MACKENZIE (Minister of Pensions and National Health): Yesterday the hon. member for Winnipeg North Centre (Mr. Knowles) asked me a question in regard to certain resolutions passed at a recent conference of war widows. I understand these were meant for preliminary discussion, and are to be forwarded to me by the secretary.

In regard to the second part of my hon. friend's question, I may state that all representations made receive careful consideration, and government policies in regard to them are being and will be announced from time to time.

CONFERENCE WITH PROVINCES

ACCEPTANCES OF INVITATION—INQUIRY AS TO PROBABLE DATE

On the orders of the day:

Mr. GORDON GRAYDON (Leader of the Opposition): I desire to direct this question to the Prime Minister: have all nine provinces accepted the invitation of the government to attend the projected dominion-provincial conference at Ottawa, and, if so, when does the Prime Minister expect to be in a position to announce the date of the conference?

Right Hon. W. L. MACKENZIE KING (Prime Minister): All the provinces have accepted the invitation of the dominion government for a dominion-provincial conference. I am not able at the moment to say at what particular date the conference will be held. There is a good deal of preparatory work to be done, and it is proceeding at the present time. Up to the present it has not been possible to find a date which would be acceptable to all the provinces. But the government is doing its best to have the conference brought into being at the earliest convenience of the provinces generally.

UNITED NATIONS

RELIEF AND REHABILITATION—INQUIRY AS TO THE DATE AND PLACE OF MEETING OF COUNCIL

On the orders of the day:

Mr. GORDON GRAYDON (Leader of the Opposition): Reports in the press yesterday would appear to indicate that Canada is to be the second meeting place of the united nations relief and rehabilitation administration and that the meeting is to take place in the month of June. Will the Prime Minister inform the house as to whether or not Canada is to be honoured with such a meeting and, if so, when and where it is likely to be convened?

Right Hon. W. L. MACKENZIE KING (Prime Minister): The government has cordially welcomed the proposal that the council of the united nations relief and rehabilitation administration should hold its next meeting in Canada. I understand that the next meeting is to be held in the month of June, but I am not in a position to say at the moment at what particular date or place the meeting will be held. The council itself will decide that and would be, I think, the appropriate body to make the announcement.

CANADIAN ARMY

REVERSION OF ACTIVE SERVICE OFFICERS TO RESERVE FORCE STATUS

On the orders of the day:

Hon. J. L. RALSTON (Minister of National Defence): I desire now to answer the question of the hon. member for Vancouver South (Mr. Green), who inquired yesterday with regard to the retirement of officers in the Pacific command.

The statement that "500 officers are being retired from the active force in the Pacific command" is not accurate. The number from October 1 to February 29 was 115, and the number pending at that time was 35.

Officers are not being returned in groups to reserve force status. Each case is dealt with individually and on its merits.

There have, from October 1 to February 29, been retired 639 officers. That does not include 225 officers who have been retired since July 1943 as being over 60 years of age. The house will understand that this includes those retired from the Pacific command and all others as well. Some have been returned to reserve status at their own request; some have been returned as over age for overseas service, some as below medical category for overseas service. Others are returned to reserve status because no suitable employment can be found for them in the Canadian army.

Officers' survey and classification boards have been set up to deal with the disposal of officers. Each officer to be returned to reserve status —except those returned at their own request— gets notice of the intention to return him to reserve status, with the reasons upon which the recommendation is based. The notice is given to him by his commanding officer. He is advised that he may, if he so wishes, submit a statement within a period of 14 days from the notice, setting forth any reasons he might have why such recommendation should not be carried into effect. He is also advised by the notice that, if no such statement is received from him by his commanding officer within the 14 days, his commanding officer will forward his recommendation through the usual channels to national defence headquarters. It is also stated in the notice that, if the officer does not wish to submit any reasons against the recommendation, he should state so in writing.

Before notice of the intention to recommend return to reserve status is sent to the particular officer, he will probably have been interviewed by the officers' survey and classification board. If he has not, and expresses the wish to appear before them, he is given an opportunity of doing so and of giving the board all the reasons he can to show why he should not be returned to reserve status. The board has no authority to dispose of an officer. The board simply puts in a recommendation to the district officer commanding or the general officer commanding concerned.

All officers who are returned to reserve status under the procedure by notice which has just been described are paid rehabilitation grant.

MAPLE PRODUCTS

RATIONING—USE FOR PRESERVING PURPOSES

On the orders of the day:

Hon. J. L. RALSTON (Acting Minister of Finance): May I make an answer to the hon. member for Parkdale (Mr. Bruce), who in a question he asked yesterday inquired whether consideration would be given to the immediate removal of restrictions on the purchase of maple syrup and maple sugar.

The answer is that when rationing became necessary for preserves and sweeteners because of greatly increased demands and definite shortages of some items such as canned fruits, it was necessary that the general pool of sweeteners be dealt with as a whole and that each consumer be given an equal claim upon it. It would have been discrimination in favour of consumers of maple syrup if they had been able to purchase their maple syrup without coupons and still have all their coupons to purchase other sweeteners or the alternative of sugar. In dealing with rationed commodities it is the policy of the wartime prices and trade board to treat all parts of Canada equally and to avoid discrimination in favour of any particular section or group of consumers. Accordingly as at present advised it is not the intention to remove maple syrup or maple sugar from the preserves ration.

Hon. R. B. HANSON (York-Sunbury): If I am in order, I should like to address a question to the minister in connection with the statement he has just made. It is represented to me from my constituency, which is a substantial producer of maple sugar products, that the rationing has had the effect of reducing production because people are not willing to give up their sugar coupons for maple sugar. I should like to have that situation investigated. I may say that I took it up with the wartime prices and trade board and they tried to laugh me out of court, but I cannot be laughed out of court so easily.

HOSPITALS

NUMBERS OF PATIENTS, 1939-42

On the orders of the day:

Hon. HUMPHREY MITCHELL (Minister of Labour): Yesterday the Leader of the Opposition (Mr. Graydon) asked me if I could give figures of the number of patients in the hospital institutions of this country. I have broken down the statement into four divisions: public hospitals; mental hospitals; private hospitals; tubercular sanatoria. The figures are for the years 1939, 1940, 1941 and 1942, and are as follow:

	1939	1940	1941	1942
Public hospitals	885,819	985,897	1,057,553	1,116,602
Mental hospitals	56,657	56,823	58,341	59,943
Private hospitals	36,766	42,479	47,361	48,225
Tubercular sanatoria	19,425	21,002	21,847	21,997

The figures for 1943 are not available yet, and those I have given do not include dominion government hospitals.

It will be noted that the increase in the three years from 1939 was: for public hospitals, 230,783, or 27 per cent; for mental institutions,

3,286; or slightly under 6 per cent; for private hospitals, 11,459, or 31 per cent; and for tubercular sanatoria 2,572 or about 13 per cent.

With regard to days' stay, the average for the public hospitals is 12·2 days, but owing to more scientifc care of patients and generally improved accommodation this average is showing a gradual drop. The averages for the other hospitals are: mental, 5 to 6 years; private, 16·6 days; tubercular, 226 days.

Mr. GRAYDON: That explains the increase in personnel.

Mr. MITCHELL: That is what I tried to point out to my hon. friend.

Mr. GRAYDON: Of course you did not do anything of the kind.

LABOUR CONDITIONS

CLARK RUSE AIRCRAFT, DARTMOUTH, N.S.

On the orders of the day:

Mr. A. R. ADAMSON (York West): I wish to direct a question to the Minister of Labour, notice of which I sent him. The question arises from a telegram received from the secretary of Local 129 of the United Automobile Workers, C.I.O., which states that trained aircraft workers are being laid off at Clark Ruse Aircraft Limited, Dartmouth, N.S., and that the operations of the local selective service officials are extremely inefficient; further, that inadequate provision is being made for the proper reemployment of skilled workers who are being given unskilled work. The question I would like to ask the minister is this: Are aircraft workers being laid off at Clark Ruse Aircraft Limited? If so, how many, and further, what steps are being made to reemploy these skilled workers at their specialized trade?

Some hon. MEMBERS: Order.

Mr. ADAMSON: Secondly, would it be possible, if the operation in question is closing down, to send these men to plants in Ontario where a shortage of skilled labour currently exists?

Mr. SPEAKER: Order. The question is one that should be placed on the order paper.

Mr. MITCHELL: I am not taking the hon. gentleman's word that the selective service is inefficient in this particular case.

Mr. GRAYDON: The question asked by the hon. member for York West remains unanswered by the Minister of Labour. I was rising to ask the minister why it is not answered.

Some hon. MEMBERS: Order.

Mr. SPEAKER: The question must be placed on the order paper.

EDMONTON COAL MINES—QUESTION AS TO CONTINUANCE OF SUBSIDY

On the orders of the day:

Mr. C. E. JOHNSTON (Bow River): I wish to direct a question to the Minister of Labour. In this morning's *Journal* it is reported that 500 miners have been dismissed from the Edmonton coal mines because the dominion government has given no definite assurance that the coal subsidy will be continued after March 31.

Some hon. MEMBERS: Order.

Mr. JOHNSTON (Bow River): Is the government prepared to give immediate employment to these miners?

Mr. SPEAKER: I have already called attention to the fact that questions arising out of editorials or statements in newspapers are not such as should be asked on the orders of the day. They should be put on the order paper so that answers can be given properly.

Mr. JOHNSTON (Bow River): I am not quoting anything from a newspaper. I am stating facts.

Mr. SPEAKER: The question is one that should be put on the order paper.

WHEAT BOARD

QUESTION AS TO ACTION IN COURTS FOR ACCOUNTING

On the orders of the day:

Mr. E. E. PERLEY (Qu'Appelle): May I direct a question to the Minister of Trade and Commerce? Has any action been brought in the courts against the Canadian wheat board for an accounting? If so, by whom was such action brought, on what date and in what province? If action has been brought, has any judgment been rendered, and what is the effect of that judgment?

Hon. J. A. MacKINNON (Minister of Trade and Commerce): The question may stand as notice.

POSTAL SERVICE

AIR MAIL RATES TO THE UNITED STATES

On the orders of the day:

Mr. G. K. FRASER (Peterborough West): May I ask the Postmaster General a question. As air mail rates from the United States to Canada are being increased from six to eight cents per ounce, starting Saturday night, will there be a change in the rates from Canada to the United States?

Hon. W. P. MULOCK (Postmaster General): That is a question of government policy. If any change is contemplated the house will be so advised in due course.

WAR APPROPRIATION BILL

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

The house resumed from Thursday, March 23, consideration in committee of a resolution to grant to His Majesty certain sums of money for the carrying out of measures consequent upon the existence of a state of war—Mr. Ilsely—Mr. Bradette in the chair.

DEPARTMENT OF MUNITIONS AND SUPPLY

Mr. ESLING: At the sitting of yesterday the member for York West referred to tungsten. I would like to ask the minister a few questions for the purpose of general information on the subject. I do not expect the replies to-day but I hope he will note the questions and bring down the answers at his convenience. Tungsten has been a mineral of very great importance, particularly in the early part of 1942, so much so that there was general publicity in all mining papers as well as in all newspapers advising prospectors and miners to be on the lookout for scheelite ore from which tungsten is taken.

I speak on this matter for the reason that the Emerald mine in my district was looked upon as one of the most promising tungsten properties in the dominion. The owner was a resident of the United States. Negotiations for the purchase of this mine were entered into, with the result that the owner asked the government $1,750,000. I suppose that was what one might call wet weight, because the government expropriated the property and took it over at dry weight of $424,000 payable in United States funds. That is quite a difference.

The metals reserve corporation apparently proceeded to develop the property, although the property is in the name of the government. That property produced 132 tons of high-grade tungsten and 267 tons of low-grade tungsten concentrates.

I wanted to ask the minister first of all: Does the property remain in the name of the Canadian government? Has it been fully paid for, and in view of the fact that the mine has closed, that operations have ceased, that there is no more demand for tungsten, will the minister first note the question as to why this lack of need for tungsten has come about in such a short time? Was there not sufficient research work to determine whether there would be an oversupply in the United States, or was there not sufficient research work to tell whether there would be any specific amount required in Canada? I ask this because the advertisements in the public press encouraged everybody to go after scheelite ore. I asked what expenditures had been made on the Emerald mine, and the reply was $829,000 for development. I took it for granted that $424,000 would be added to that for the expropriation of the mine. I wish to ask the minister if the $829,000 includes the cost of erecting the mill, because the development of the mine could not be proceeded with unless there was a mill. It is a very up-to-date mill.

We now have $829,000 and $424,000 of United States funds in the property while 267 tons of low grade concentrates, which yielded $70,000, have been shipped out. There are 132 tons of high grade concentrates left. What is the assay of the high grade concentrates? What will be the approximate value of them? What is the government going to do with these high grade concentrates, and what is the government going to do with the high grade concentrates from the various mines across the country which have been producing tungsten? They all went to considerable expense to get production under way.

In September last all operations at this Emerald mine ceased and the mill closed in October. Can the government not arrange to use that mill as a customs mill for prospectors of lead and zinc ores in the West Kootenay district? It may be necessary to have some alterations made, but as development cost $829,000 and the property $424,000, plus the cost of the mill, which is unknown, it represents a very large investment.

I should like to turn to the matter of publicity and the encouraging of prospectors to make a thorough search for the then much-needed tungsten, which to-day is not needed at all. Is that situation brought about because the production in the United States is so great, or the price of mining so much less. I wish to cite to the minister the case of a local prospector. A letter in reference to that case went to the Department of Mines four or five days ago, to which there has been no reply. I stress the Department of Mines because all the newspaper publicity urged prospectors to be on the lookout for scheelite and to send their samples to the Department of Mines. They were told if they did that they would get full information not only as to procedure but as to the names of the firms in the United States to which the tungsten concentrates could be shipped. I cite this case purely as a matter of justice in view of the publicity given.

This man was employed during the day. He had a property on which he thought there were scheelite indications. At his own expense he bought a mineral lamp and proceeded to mine his scheelite ore with the result

that he took out four tons of concentrates containing tungsten. He sent samples to the Department of Mines at Victoria. Apparently the provincial government and the federal government were acting in unison; however, most of his correspondence had been with the Department of Mines at Ottawa. As I say, he sent his samples to Victoria. He had them assayed and sent to the Minister of Mines. Apparently he did not get very much general information from Ottawa, but he directed another letter to the Minister of Mines in January, after information was received that there was no use for tungsten in Canada; that the Emerald mine had closed along with the mill. He asked the Minister of Mines where he could ship his concentrates. He had been told in those printed advertisements and publications from the Department of Mines—I suppose it applied to the federal and provincial departments—that when a man had tungsten concentrates which reached a specific assay the department would advise him to what firm in the United States to ship them, and he would be paid fifty per cent cash and the balance upon receipt of the concentrates and an assay by the United States firm to which they had been shipped. However, the Department of Mines told him there was no longer any use for concentrates. After the first of January he wrote to the Minister of Mines and asked whether it was worth while to proceed with the purchase of additional mining equipment in order that he might locate the main body of ore on his property. The Minister of Mines replied that a tungsten property is always of great value but at the present time there is no place to ship the concentrates.

Visualize a man putting in an eight hour shift and responding to the plea of the government to hunt for scheelite to produce tungsten concentrates. He puts in an eight hour shift at his everyday work. He was employed in the smelter. He wrote to the management of the mill of the Emerald mine, which is not over thirty or forty miles away, and the mill manager replied that he was unable to mill his concentrates unless he could secure the permission of the Minister of Mines. He must have meant the federal Minister of Mines, because the property belongs to the federal government. Before he could get a reply the mill had closed. He then proceeded to break up the four tons of ore himself. It is a very hard job to break up four tons of ore. He put in his time in the evenings and on Sundays, and, as I said, he got out the high grade concentrates and the low grade concentrates. He did not ask the government to accept the low grade concentrates, but he wanted to get some reimbursement for his high grade concentrates. Unfortunately there is no place to which he can ship. My contention, my plea and my suggestion is that it is only a matter of justice for the government to take that man's two tons of concentrates and pay him for them. They undertook to pay him fifty per cent cash as soon as he got an assay, the balance to be paid upon analysis by the firm to whom it was shipped. It is only a matter of justice that that prospector, who has gone the whole way, done everything that the government asked him to do, should be repaid for his effort or a market found for his concentrates. They have a million and a half in this Emerald property, and the government would not know what to do with it to-day any more than they would know how to fly. Why could they not compensate that prospector for two tons of concentrates?

I want to come now to the Kootenay-Florence mine, which is on Kootenay lake, and belongs to a Canadian firm. The metals reserve corporation, through the metals control board, entered into an agreement with that company. I want to ask the minister the terms under which that property is being operated. I know the owners are receiving a royalty, but I want to know also the price they receive per ton for the lead and zinc concentrates being shipped to the United States. My main purpose, however, is to ask the minister if he will not make use of that mill. It is a lead and zinc mill. The Emerald mill is a tungsten mill which could be altered to accommodate lead and zinc concentrates, but the Florence mill is being operated already. I ask the minister if arrangements cannot be made for the use of the Florence mill by local mines. There must be a customs mill in the West Kootenay district; otherwise you will discourage, as you have been discouraging, the production and shipment of lead and zinc, which is urgently required.

What did the Consolidated Mining and Smelting company do? They entered into an agreement with the British government to sell all their lead and zinc during the period of the war, and they are receiving 3·6 cents per pound for zinc. To-day the quotation in St. Louis for lead is 6·35 cents and for zinc 8·25 cents. I mention these quotations particularly because I want to appeal to hon. members to my left, who never seem to have a kindly word for the Consolidated Mining and Smelting company, which they look upon as a corporation which has no regard for industrial relations. I can assure them that the industrial relations of this company are not equalled by those of any other concern in the Dominion of Canada. Further I want to say to hon. members to my left that by

selling to the British government for about 3·6 cents per pound instead of at the prices quoted in the United States, which prices are received by any producers who ship their concentrates to the United States, this company has saved the British government about $22,000,000 annually ever since the outbreak of the war. I would ask my hon. friends to have a generous thought for one company which does not seem to operate purely for the exploitation of the country.

Mr. HOWE: I shall be very glad at the next sitting to answer the questions which have been asked by the hon. member for Kootenay West.

While I am on my feet I should like to refer to two matters which were discussed last evening. The first was in connection with the ownership of Clark Ruse Aircraft Limited. The reason I mention this is that certain statements made in the house last evening were quoted in the press to-day. The directors of the company are: J. Clark Ruse, president; Ewart Angus, vice-president; Mel Angus, secretary; Harold Jeffries; Hon. J. Earl Lawson.

The directors, with the single exception of the estate of Alfred R. Caldwell, are all the shareholders and own the total share capital. The estate of Alfred R. Caldwell is represented by Hon. J. Earl Lawson, who is the solicitor for the company; and it was through Mr. Lawson that the capital invested in the company was raised. I suggest that the hon. member for York-Sunbury might be a little careful in talking unjustly about the officers of my department.

Mr. HANSON (York-Sunbury): I did not make any attack; what I asked—

Mr. HOWE: You did not ask; you stated.

Mr. HANSON (York-Sunbury): Just a moment; the minister has referred to me and I am rising to a question of privilege. I asked whether the capital investment in the plant was to be a loss to the country, or how it was to be treated.

Mr. HOWE: You made a statement.

Mr. HANSON (York-Sunbury): Perhaps the minister misunderstood the purport of my question.

Mr. HOWE: There was no question. You made a statement about a member of my department which you asked to have expunged from *Hansard,* and I agreed to have it expunged.

Mr. HANSON (York-Sunbury): I never asked to have it expunged. Someone else asked to have it expunged, and I agreed to it, if you want the bald truth.

[Mr. Esling.]

Mr. HOWE: Not myself.

Mr. HANSON (York-Sunbury): Not myself, either. I did not ask for it, but I agreed to it. The minister is on the wrong track. I was asking about the capital expenditure in the plant at Dartmouth, and now that operations there are being reduced I wanted to know if that was to be a capital loss to the country, or what use it was to be put to. I said nothing about the ownership of the company. The minister has sought to bring that in, and I welcome the information but I did not ask for it.

Mr. HOWE: You certainly made a statement about it, and I was answering that statement which, had it been true, would have caused a very serious situation in the department and in the country.

Mr. HANSON (York-Sunbury): I will look it up in *Hansard.*

Mr. HOWE: You will not find it in *Hansard,* but you can find it in the typewritten sheets from which it was expunged.

Mr. HANSON (York-Sunbury): I understood you agreed to have that done, and I agreed to it.

Mr. HOWE: Nevertheless it appeared in the press, and I thought it deserved an answer.

Mr. HANSON (York-Sunbury): I did not put it in the press, and I am not responsible for what was there.

Mr. HOWE: You are responsible for what you say in the house, I think.

Mr. HANSON (York-Sunbury): That is right, and I take full responsibility for it.

Mr. HOWE: With regard to Defence Industries Limited, I think in fairness all the fees collected by the company should be placed upon *Hansard.* I have a statement here which, with the unanimous consent of the committee, I will ask to have printed in *Hansard.* It is as follows:

Defence Industries Limited

Operating Fees

Chemicals and explosives

Plant	Paid to Dec. 31, 1943	Value of production	Per cent of fee to production value
Nobel	$ 796,000	$36,005,000	2·21
de Salaberry	831,000	34,962,000	2·3
Shawinigan .	42,000	3,268,000	1·28
Winnipeg ..	585,000	25,006,000	2·34
Beloeil	9,600	388,000	2·47
Windsor	41,000	2,705,000	1·52
	$2,304,600	$102,343,000	2·2

Ammunition filling

Plant	Paid to Dec. 31, 1943	Value of production	Percent of fee to production value
Bouchard ...	$ 180,000	$114,603,000	0·16
Pickering ..	248,000	228,230,000	0·11
Villeray	25,000	4,408,000	0·57
	$ 453,000	$347,241,000	0·13

Small arms and sundry

Verdun	$ 922,000	$ 41,446,000	2·2
Brownsburg.	348,000	12,160,000	1·35
Montreal Works	147,000	10,375,000	1·42
Westmount .	nil	3,785,000	nil
	$1,417,000	$ 67,766,000	2·09
Total Operating ..	$4,174,600	$517,350,000	0·8

Construction Fees

Chemicals and explosives

Plant	Paid to Dec. 31, 1943	Construction cost	Percent of fee to cost
Nobel	$ 363,000	$ 11,278,000	3·2
de Salaberry	137,000	14,323,000	0·96
Shawinigan..	15,000	585,000	2·6
Winnipeg ...	91,000	10,276,000	0·9
Windsor	15,000	866,000	1·8
Beloeil	8,700	310,000	2·8
Stormont ...	nil	2,944,000	nil
	$ 629,700	$ 40,582,000	1·55

Ammunition filling

Bouchard ...	$ 106,000	$ 13,277,000	0·8
Pickering ..	86,000	11,489,000	0·75
Villeray	25,000	2,244,000	1·1
	$ 217,000	$ 27,010,000	0·8

Small arms and sundry

Verdun	$ 168,000	$ 15,593,000	1·1
Montreal Works ...	101,000	9,529,000	1·1
Westmount .	17,000	1,461,000	1·2
	$ 286,000	$ 26,583,000	1·08
Total Construction.	$1,132,700	$ 94,175,000	1·2

Summary

Operating ..	$4,174,600	$517,350,000	0·8
Construction.	1,132,700	94,175,000	1·2
	$5,307,300	$611,525,000	0·86

Mr. COLDWELL: Do those fees include the salaries of officers engaged in operating the plant?

Mr. HOWE: It includes the services of the company and its head office expense. The men actually engaged in the plants, are paid as part of the plants' expense. In connection with construction fees, my hon. friend will recall that Defence Industries Limited were also designers of the plants, and experts in the process involved.

Mr. HANSON (York-Sunbury): What would be the average fee in commercial life as compared with the 1·2 per cent the minister has indicated?

Mr. HOWE: I believe the standard fee is five per cent, but in a large work of this kind it would not be that much.

Mr. COLDWELL: What I said may have been obscure. The figure the minister has given is the one I had in mind. I took it from a newspaper report that it was around the $600,000,000 mark. That is where the figure crept in.

Mr. HOWE: I see. While, as I pointed out, the average fee was ·86, all this work was segregated in a corporation with a million dollar capitalization. This of course made its earnings subject to heavy taxation. That fee, after taxation, amounted not to ·86 per cent but to ·2 per cent, or one-fifth of one per cent.

Mr. GILLIS: I understand it is the intention to go along with the estimates of the Minister of Munitions and Supply, as we did with those of the army, the navy and the air force. While the estimates set out specifically items covering almost everything one could discuss, there are some observations of a general nature I should like to make.

The hon. member for Rosetown-Biggar (Mr. Coldwell) stated in a general way the opinions held by this group respecting the minister's report to the committee. My own opinion is that under difficult conditions the minister has done an excellent job, from the inception of his department. When one stops to examine the record back to the outbreak of war, and realizes the position in which the minister was placed in a country totally unprepared for war, with the responsibility thrown into the minister's lap of putting Canada on a war-time basis, he can see that this was a big order to hand to any one man. The surprising feature is the success he has had, particularly in view of the lack of cooperation from the beginning on the part of those who were in a position to give him perhaps the only available assistance

at that time. I refer to those organizations to which he handed so much power, a procedure for which I believe he has been justifiably criticized. When he first approached those organizations and asked for their cooperation in putting Canada on a war-time basis industrially, we remember that their only gesture of cooperation was that unless the clause providing for a limitation of profits to five per cent were removed, they would not be prepared to produce war materials.

The point I make is this: in examining the record of the Department of Munitions and Supply one must remember that the only machinery the department had to work with at that time was the then existing industrial establishment of the country. Any man who took that industrial machine and built from it the organization we now have must be handed a compliment, and it is one which I think he has justly earned. He had a terrific job, and received very little cooperation in the first instance from those who were in a position to give him real assistance.

The scene has changed, however, and a real organization has been built up. I agree with many hon. members who have said that to-day too much power rests in the hands of that group who are concerned about profits only. We do not quarrel with the controls, but rather with those who control, and what they control for. If the only desire in their minds is profits for themselves, that is a motive which the Canadian people, and particularly the members of this house, will have to watch very closely.

With respect to the industrial war machine that has been built up, the minister I think has proven that we have reached the peak of war production. The emphasis is changing; there is a slackening off, and a tendency on the part of those who are dominant in these controls, men from the larger industries, to create the opinion in the minds of the public generally that the war is near its end, and that the huge organization that has been built up for the purpose of prosecuting the war can now be unscrambled. I notice that many of the key people are resigning the positions which they have occupied for the past two years in the controls and are going back to their own private companies. When I say "going back", I should add that they are going back in name only, because they have never really left their own concerns. I think they reason this way: Controls have been developed, and certain legislation and orders in council have been passed, which make it unnecessary for us to remain in these controls any longer, because under the existing legislation and orders in council there is practically a guarantee to us that the emergency machine that was built up for war purposes will not be utilized in the aftermath of the war in competition with those of us who believe in private enterprise—whatever private enterprise may mean. I have lived under so-called private enterprise for forty-five years or so, and it has been so private, so mysterious, that most of the citizens of this country have not yet had an introduction to it. I could not give a definition of it; it is something really mysterious to me. But if by private enterprise they mean the concentration of wealth and power in the hands of a few men like Sir Herbert Holt and the Royal bank, I can understand that.

Mr. JACKMAN: He is dead.

Mr. GILLIS: But he left footprints on the sands of time. If that is to be the motive in the future with respect to the utilization of this industrial war machine that has been built up, the Canadian people are in for a very unhappy experience.

I said a few nights ago that I consider the war supplies allocation board and the War Assets Corporation which have been set up under the Department of Munitions and Supply perhaps the most important post-war organizations that have been instituted by the government. I have served on the reconstruction committee for the past two and a half years. The committee has heard many briefs and recommendations with regard to planning for the post-war period and creating jobs for those in the armed services when they return. But the only jobs that you will have in the post-war period which did not exist in 1939, when there were one million and a half people on relief in this country—and to-day many of those boys are in Sicily or Italy—will be the jobs created by this industrial war machine that has been built up under the Department of Munitions and Supply. But if that organization is not used for that purpose; if these industries are not converted to peace-time needs, you are not going to have any jobs for our boys to come back to from overseas. We have placed in the hands of the war supplies allocation board and the War Assets Corporation the power of utilizing, in such a way as they see fit, the great industrial organization that has been built up by the taxpayers of this country and from the very slight experience we have had with it so far I am sceptical as to how that power is going to be used. For instance, here is a statement in Toronto *Saturday Night* of a few weeks ago, "Canada far ahead on disposal of surplus war supplies." The thing that gives me concern in this article is that the manufacturers' association emphatically state that

in their opinion industry which has been created for war purposes must under no circumstances when the war ends be given to newcomers in the industrial set-up, to be used on a competitive basis with industries now in existence. In effect that means to me that those who dominated the industrial set-up in the field of private enterprise in 1939 before the war are of the opinion that this whole war machine should be scrapped now, that under no circumstances should the industrial organization that has been built up during the war be used for the purpose of creating peace-time necessities and come into competition with the existing industrial organizations. That is the opinion of your manufacturers' association and your chamber of commerce; there is no doubt about that. The chamber of commerce in making their presentation to the reconstruction committee not so long ago stated emphatically that one of the basic principles they were advocating was that immediately on the cessation of hostilities the whole industrial machine that had been built up during the war must be scrapped and the field left open to private enterprise. The point I wish to make there is this, and I have no ulterior motive at all; I do not care what kind of tag you hang on to your order of society, but unless that order of society takes care of the needs of the people it has no right to exist.

Mr. JACKMAN: We are all agreed on that.

Mr. GILLIS: Then we must be in disagreement with the manufacturers' association and the chamber of commerce who advocate a return to 1939 conditions in the field of industry in Canada. That is their policy, and it is one with which I and those of us in this group disagree. I am glad to hear the hon. member for Rosedale say that we are all agreed on the principle of establishing an order of society that will take care of the needs of the people regardless of any particular group that may be injured in the process.

In the matter of utilizing the existing wartime industrial organization, I have had one or two little experiences which indicate to me that those who have the authority to dispose of surplus war materials and supplies have a certain definite policy that they are going to follow. Let me give the minister one example, a very small one perhaps.

An ex-service man who had been overseas for a couple of years came back and took work at a shipyard. He had previously been a miner. When the emergency fuel order came out he was directed by national selective service to go back to his old employment as a miner. He did so, going to the section to which he was allocated by the selective service. His family was in another part of the country, and he desired to move them so that they could be together, but he could not find a place to live. There are barracks located in that town comprising some forty buildings. The barracks are new. They had been used for a short time, but were then unoccupied. He suggested to me that I get in touch with national defence with a view to his buying one of these buildings and convert it into a dwelling for himself and his family. I wrote several departments, not knowing exactly who or what this war allocations committee or corporation was. I was advised, after some considerable delay that, as far as selling any of these buildings was concerned, by virtue of the buildings having been put on land owned or leased by Dominion Steel and Coal Corporation Limited, that company had first option on them and it was believed that they would utilize them as homes for miners who might be directed from other industries into that section. Nothing has been done in that matter so far. The ex-service man who was directed to come back to that particular occupation still lives apart from his family.

I tried again. One of the larger credit unions in that area, desirous of obtaining more office space, wanted to purchase one of the buildings. Upon writing about the matter I received exactly the same information.

These are small illustrations of a point which I wish to leave with the minister. My conception of the principle upon which this corporation and committee are going to work is this. Much of the money which through the minister's department has been put into industry for the purpose of expanding existing industry and developing new production has gone into plant and equipment on land held by private companies. Presumably the decision rendered by the board in the case I have mentioned is that upon which the whole industrial machine built by the minister's department will be disposed of.

Mr. HOWE: I did not just follow the hon. member. May I ask, did he get his information from the disposal board in the case of the barracks at New Glasgow?

Mr. GILLIS: The barracks were at Glace Bay, Nova Scotia.

Mr. HOWE: Well, did he get his information from the army or the disposal board? Who told him?

Mr. GILLIS: In the one case, national defence secured it through the board; in the second case I myself secured it through the board.

Mr. HOWE: Through the disposal board?

Mr. GILLIS: Through the allocation committee.

Mr. HOWE: Ordinarily land acquired by the army for barracks purposes has been purchased by the army. I am not familiar with the arrangements. But as to buildings paid for by the Department of Munitions and Supply, in practically all cases the land is owned in fee by the crown.

Mr. GILLIS: I cited those two cases merely to indicate the opinion I had formed because of this particular incident. Several orders in council I have seen appear to bear that out. For instance, you have investments in the plants of Canada Car and Foundry and Dominion Steel and Coal. Plants have been created, and when the war is over they will no longer be needed for war purposes and the committee has the right to tear the plant down or move it somewhere else. But if it is not removed it reverts to the company on whose property it was built. I am not blaming the minister for this. As I said at the opening of my remarks, he was faced with the responsibility of having to organize an industrial machine and had to use everybody and everything that he could use, and he did under those circumstances exactly as I would have done, or anyone else would have done; he built the machine without quibbling over details or technicalities. But that period is past. The time has now arrived when the minister, the members of this house, and everyone who is interested in ensuring the maintenance of full employment after the war, should see to it that legislation is enacted which will protect the investments the Canadian people have in our industrial set-up, so that they may be utilized when the war is over to do the job that everyone here agrees should be done, namely, provide employment for every last man and woman who is in the services and for those in war industries who have made it possible for the allied nations to put on an offensive to-day in Europe.

There is another matter I should like to bring to the minister's attention. I may have a little difficulty in proving to the chairman that it belongs exactly here; I think it does, but I am giving him fair warning. First, however, I want to compliment the hon. member for Caribou (Mr. Turgeon). He pretty much agrees with what I have said, for according to a report in one of the Toronto newspapers he stated in a speech he made in that city that "free enterprise may not survive the end of the war." I am very glad to hear that statement from the chairman of the reconstruction committee. I have worked with him on that committee, and I find him very broad-minded and farsighted.

Mr. HOWE: Non-survival is what he was afraid of.

Mr. ROWE: Broader-minded than he is farsighted.

Mr. GILLIS: He sees the handwriting on the wall.

Mr. JACKMAN: Read the context.

Mr. GILLIS: I have read it. It is a very good statement. He visualizes the utilization of the war machine in the aftermath of the war pretty much as I have tried to describe it this afternoon?

Mr. KNOWLES: Does he ever talk that way in the house?

Mr. GILLIS: He has not much latitude on that committee. As the chairman he has to do all the listening.

The other matter I should like to bring to the minister's attention is one on which we may not see eye to eye. A few months ago the Prime Minister tabled in this chamber an order declaring a national emergency in fuel. After having that particular branch of our industry in many hands in the past several years, he centred the emergency organization of the fuel industry in the Department of Munitions and Supply. Of course Munitions and Supply was merely delegated authority under that order to get an increased production in fuel, necessary to the war effort. That organization has not worked out as well as I should have liked. Fortunately this winter has been very mild, and as a result we managed to get through without any great difficulty.

I notice according to the press and from consultations with union officials from Nova Scotia that in both the coal sections of Canada to-day there is considerable unrest in the mining industry. In the Alberta field, as pointed out by the hon. member for Bow River (Mr. Johnston), there is actual unemployment, because of some faulty fuel policy in that particular area. In Nova Scotia there is a different situation. Their fears are for the future. But what I want to impress on the mind of the minister is that from both sections of Canada to-day come proposals, from operators and from miners' unions, to meet in Ottawa with government officials for the purpose of deciding on a national fuel policy. The operators in this country are not in a position to decide from day to day where they are going.

The markets are very uncertain, and as I see it in Nova Scotia, if the war were to terminate to-morrow, with the market arrangement that exists at the present time you would not have markets to guarantee a two days a week operation in the mining industry in that

province. I am not going to say what the situation is in Alberta, because I do not know, but our people in Nova Scotia are very much concerned about it. There are many angles to the problem, but I will not go into all of them.

One thing in the emergency arrangement that I think is unjust is that in Alberta, New Brunswick and Nova Scotia, in the matter of domestic fuel, because of the increase in wages to the miners a substantial increase in the price of domestic fuel was permitted by the government. In other words, the consuming public of Nova Scotia, New Brunswick, Alberta and Saskatchewan have had to pay for the increases in wages given the miners in those provinces. On the other hand, the consuming public in central Canada, Quebec and Ontario, are in the reverse position. When you had to supply the domestic market in those two provinces, the small tariff that was against American coal was removed, something like 50 cents a ton—35 cents on some and 50 cents on others. In addition, importers of coal in central Canada were subsidized in order to hold the price ceiling. So that taxpayers generally across Canada are maintaining the price ceiling and absorbing the increased cost in domestic fuel in the two central provinces. While in the eastern and western provinces there has been some increase in the wages of those who dig the coal, the consuming public in those provinces have had to take on an additional burden in the way of an increased cost of domestic coal. Therefore, they are paying for the maintenance of the price ceiling in Ontario through taxation, and they are paying for the fact that there were increased wages in that industry, both east and west, when the government permitted a slight upward revision.

Mr. HOWE: I should correct my hon. friend. There is no bonus on coal imported into the central provinces—that is, on steam coal. There may be a small bonus on anthracite, but there is no bonus on steam coal.

Mr. GILLIS: I agree with the minister. I was speaking of domestic fuel. It is anthracite that is mostly used in the central provinces for domestic purposes, but my whole argument is based on domestic fuel.

Mr. HOWE: You use anthracite in the maritime provinces, and it is bonused. You were talking of steam coal in the maritimes and domestic in the western provinces.

Mr. GILLIS: We use very little anthracite in the maritime provinces, and American coal imported for metallurgical purposes is bonused to a certain extent. There is a drawback of 35 cents a ton. All coal used for metallurgical purposes is subject to that provision. It is a long story which I will not go into. But both east and west the domestic consumer of fuel has a legitimate grievance in that he is contributing to the whole national set-up in the maintenance of the price ceiling as it exists in the two central provinces; and in addition he has a direct levy because of the increase given the miners in those provinces. It is something that should receive the consideration of those who are responsible for the fuel policy.

The other angle is this. In the house on several occasions I have suggested that in the field of fuel Canada definitely lacks a policy. There is no doubt about that, and for the past twenty years there has been enough money spent in delegations, in briefs, and in royal commissions to reorganize the whole industry. As I pointed out a moment ago, the fear in Nova Scotia is that we are facing a repetition of what happened in the last war. In the last war we lost the Quebec market completely, and that is the only economic market for Nova Scotia coal in Canada. United States coal to-day is going clear through to Riviere du Loup. That market has been completely handed over to the United States operators.

In the reconstruction committee when this subject was under consideration I specifically questioned those who represented both the companies and the fuel board. I asked if they were taking care this time, when handing over markets for emergency purposes, not to repeat the mistake of 1917 and 1918 and give away those markets without any understanding or agreement safeguarding the Canadian taxpayers against repurchase over a period of years at a cost of millions of dollars, as actually happened after the last war. I was informed then by the representatives of the fuel board that, as far as markets were concerned, there was no agreement or understanding and that it was a matter of getting that coal in during the emergency as quickly as possible without any regard to what was going to happen in the future.

In view of the fact that the miners themselves, their unions and the provincial governments are taking the initiative at this time in trying to head off something that may be very serious, should the war end within the next year or two, the minister should now inaugurate some kind of organization in Ottawa, or give instructions to those, under his charge, operating in that field, to see to it that this delegation is received and that a definite policy is mapped out for the Canadian industry in order to avoid what I can see

coming, in Nova Scotia at any rate, immediately on the cessation of hostilities if the situation remains as it is at the present time.

The industry in Nova Scotia requires a complete overhauling. Some people say, you cannot compete with American industries because they are mechanized and electrified. That is true. I can tell the minister that the industry in Nova Scotia is as fully mechanized as it can be. The mines there are old, and they cannot be further mechanized; and what is more, you cannot electrify them. You cannot put in electric cutting and loading machines because the mines are submarine and very gaseous. Someone said to me, "You fellows fought mechanization a few years ago", and I replied, "Yes, we did in one colliery, one of the most gaseous on the north American continent." It was new, with a very gaseous seam of coal, and if you installed an electric cutting and loading machine, throwing sparks four hundred yards, you would blow the cover off the mine in a short time. We were right in fighting it. It cannot be done in those old mines, and that is something that must be considered.

The minister is an engineer, and I think he has a fair conception of the sort of problem with which we are faced. I should like to see that department, now that it is responsible in that field, institute an examination of that whole industry in Nova Scotia from the operating standpoint. I know there is one man in the fuel set-up, Mr. Frank Neate, secretary of the fuel control board, who has a thorough knowledge of the industry. I believe that if he were permitted to sit in with a miner's committee and the operators who are desirous of framing some kind of workable fuel policy for Canada, he has both the technical and the practical knowledge to do a really good job. I believe he could map out something that would be workable. It is a post-war problem which means a lot to Nova Scotia. The whole economy of that province is based on the coal industry, which at this time requires a thorough and solid examination. Something has been done; I do not know whether it was through the minister's department or not. Substantial increases in wages were given the miners of that province, and for the first time in the history of that industry in Canada a week's vacation with pay was granted in the last agreement. That was something the miners used to dream about, but they never imagined it would happen.

Without going into all the ramifications and technicalities and the many things that one could talk about hour after hour I want to emphasize the necessity of examining that industry in Nova Scotia with the end in view of reorganizing and stabilizing it. I could tell the minister a long story about the machinery he set up to go down there to get emergency production and all that kind of thing. You cannot get production in offices. You cannot sit in Moncton and imagine that the industry is going to be improved. It is a job that has to be done where the coal is produced. It was not done in that way. Divine Providence was kind to the minister this winter in helping him out in the coal situation; otherwise I think he would have have had more headaches. I should like seriously to advise him to do something about examining the whole set-up of that industry for the future.

Mr. RAYMOND (Translation): Mr. Chairman, the Minister of Munitions and Supply (Mr. Howe) has given us quite a comprehensive picture of the tremendous production achieved by war plants during the last year and even since the beginning of the war. He has, moreover, outlined the programme he proposes to carry out during the current year and he requests us to vote considerable amounts for those purposes. But if such a result has been achieved, it was through the cooperation of the worker who is an essential element of production, and it is imperative that he should be treated with fairness. Unfortunately, according to some statements I have received, in certain industries under government control, and especially at the nitro munition plant operated by the Defence Industries on Salaberry island, at Valleyfield, and at the Bouchard plant, near Saint Thérèse, the workers are victims of glaring injustice.

On March 9 last, I gave notice of a certain number of questions relating to the laying-off of some employees in those industries, that is to say, at the Bouchard plant or at the nitro plant on Salaberry island, Valleyfield, and to the replacement of those workers by people from other provinces and particularly from Nobel, in the province of Ontario. I had hoped that I could obtain answers to those questions before making my present remarks. Unfortunately I fear that the debate may come to an end before my questions are answered. Besides, the hon. member for Terrebonne (Mr. Bertrand) following some newspaper comments, has referred this week to such cases of injustice which I mean to bring before the committee. As a matter of fact, employees with a long record of service, men who have worked in those plants for one, two and three years are laid off and replaced by men from other provinces and especially from the Nobel plant which has been closed. Such is the glaring injustice done to those men. They have lived in the locality for many years as

permanent residents, they own their homes, and have families to support; they have worked almost since the beginning at the nitro plant in Valleyfield, and to-day they are laid off and replaced by people from other provinces. That is an intolerable injustice against which I must strongly protest. It cannot be claimed that those men are not competent because the fact that they were kept for two and even three years shows that they were considered as efficient, but to-day they are dismissed. Sometimes, another procedure is followed; the man is called and offered a lower position, with a greatly reduced salary, so that he is placed in the alternative of leaving or remaining at a lower salary with which he cannot support his family. That is a devious means of dismissing him to make room for others. I admit that production has decreased, but if so, why does the management hire men from other provinces, such as those who have come from the Nobel plant? If there has been a reduction in the number of workers needed, why are outsiders hired? That is a lame excuse.

The government have some responsibility in that respect because those industries are under their control, inasmuch as the government have themselves established institutions such as the Allied War Supplies, which later on have entrusted to other companies the operation of some plants. But those institutions, organizations, or companies have been established with the taxpayer's money and this afternoon the Minister of Munitions and Supply has told us how much the government had to pay for the Nitro plant, on Salaberry island, at Valleyfield. Consequently, the taxpayers, the workers from whose weekly salary a deduction is made for war taxes, are entitled to some consideration and they have, in preference to others, a right to earn their living in the locality where they have always lived.

May I point out one case. The other day I received from a worker a letter in which he said: "I have two sons in the air force; one of them has recently been repatriated on account of illness; two other sons of mine have just been called for training in the army. I have a family to support and I have been laid off. How was it done? I have been offered a greatly reduced salary with which I could not support my family."

Those are facts which I wanted to bring to the attention of the committee, and particularly of the Minister of Munitions and Supply.

There is another fact which I also wish to emphasize. Ever since the plant on Salaberry island has begun its operations, local workers have been treated like neglected members of the family. All main positions have been given to outsiders, and the positions left for local workers have always been minor ones. Let no one claim that competent men could not be found. I could mention particular cases, but I do not want to name any one, not because an injustice might be done but because the workers might thereby suffer unpleasant consequences. I know that, in some cases, a man in a minor position has had to teach a man of higher rank how the work was to be done, the salary of that lower man being much smaller and the man who outranked him having been brought from outside to be placed above him.

I hope the Minister of Munitions and Supply will give careful consideration to the few remarks I made not only in the interest of the working class but also in the interest of peace in the post-war period. We hear a great deal about the post-war era, but if we really want to prepare it and avoid perhaps a number of calamities and a certain amount of ill feeling, we must give fair treatment to all citizens, and the working man should be included among them.

Mr. CHEVRIER (Translation): Mr. Chairman, I am sure the hon. member for Beauharnois-Laprairie (Mr. Raymond) expects me to reply to a number of questions which he has asked. I agree with a part of his remarks. I fully concur in his views when he speaks of the cooperation of the worker in war production. Indeed, the hon. Minister of Munitions and Supply (Mr. Howe) has on several occasions expressed his satisfaction with the magnificent war production to which all the workers of the country had contributed. However, I find that the facts that he mentioned a moment ago are not borne out by the documents which I have on hand at the moment. He referred to the alleged unfair treatment of a number of employees of a plant at Salaberry. I have before me a report which shows that 89 per cent of the employees of the Salaberry plant were of French Canadian origin; 11 per cent of British stock and 4 per cent of foreign extraction. I have been informed also from the same source that the lay-offs which he mentioned have been inevitable in some industries due to the curtailment of production. Then when it became necessary to dismiss some of the employees of the Nitro plant, they were laid off in the same proportions in which they had been hired. For instance, in September, the ratio of French Canadian employees showed an increase of 2 per cent in comparison with the other nationalities. The report I have before me, Mr. Chairman, shows that the discrimination, if there was any, was in favour of the French Canadians

The hon. member has spoken of the inferior jobs held there by our fellow citizens. I am not in a position to say what the jobs are, but I may state that the general manager of this industrial concern is a French Canadian by the name of Débarats.

Mr. RAYMOND (Translation): Would the hon. member permit me. In the course of my speech, I did not refer to French Canadians, but to people of the Nobel plant who had come to take away the jobs of local people.

Mr. CHEVRIER (Translation): The hon. member has spoken of people from the province of Ontario who had been brought over to replace citizens of Quebec—

Mr. RAYMOND (Translation): People from the Nobel plant.

Mr. CHEVRIER (Translation):—and I am convinced he was referring to statements made in the press—one paper in particular has put forth this claim, as I shall point out later—he has also spoken of the minister's responsibility concerning these plants. There is one thing which a lot of people do not seem to realize, and that is that Defence Industries Limited is not a crown company, as many seem to think. Defence Industries Limited is a private firm, a subsidiary of Canadian Industries Limited. It has not been set up by the Department of Munitions and Supply as has been alleged. Then, being a private enterprise, it is entitled to offer employment to anyone it deems fit.

Mr. RAYMOND (Translation): Has this company no tie whatever with the government?

Mr. CHEVRIER (Translation): None whatever. And the operating company is the Allied War Supplies Limited, a firm with which the government has an agreement for the supervision of all these plants manufacturing explosives.

Mr. RAYMOND (Translation): Is the Allied War Supplies firm not connected with the government?

Mr. CHEVRIER (Translation): I have just stated that Allied War Supplies Limited is connected with the government. This firm controls the operation of explosives factories, and so forth. However, Defence Industries Limited and Canadian Industries Limited are private enterprises. It seems to me that these private firms are entitled to hire anyone they wish.

While on this subject, the hon. member will perhaps allow me to refer to a news sheet which he will recognize, no doubt. It is entitled *Le Bloc*. I believe it to be the organ of the party of which the hon. member is the leader. In its March 15 issue, this news sheet contains a number of inaccuracies, not to say numerous falsehoods. I have just stated the first one. It starts by asserting that Defence Industries Limited is a crown company. It follows on with a claim that the workers of the Bouchard plant, at Ste. Therese, have often been discriminated against. I have here a report from the president of Allied War Supplies stating that no worker from the province of Ontario has been hired by or transferred to the Bouchard plant. The news sheet *Le Bloc* claims further that these persons have all had their expenses paid by the government. This report has it that in no case the expenses connected with transferring and hiring the men have been borne by Allied War Supplies Limited but that, on the contrary, the workers themselves have always paid their own expenses.

To conclude, I wish to point out to the hon. member that 1,665 citizens of Quebec have gone to work in war factories of the province of Ontario. Three or four hundred of them are located in Sarnia, a considerable number have secured jobs in Kingston, others in the Niagara peninsula, and others still in Kitchener. The hon. member may perhaps allow me to mention a report, just handed to me, published in a Kitchener newspaper of March 21, 1944. It is, therefore, of very recent date. The report points out that 300 Canadians from the province of Quebec have reached that town seeking employment in war factories, but could not secure living accommodation. Nevertheless, the mayor of the town issued a public statement requesting his fellow citizens to welcome them, to find accommodation, whether rooms or lodgings, for them and the local people have responded to his appeal. I fail to see why my hon. friend has brought this matter up, for it must not be forgotten that if, at times, our people seem to be discriminated against, there are, on the other hand, in the province of Ontario, a large number of them who secure employment in similar circumstances. From the newspaper report I was referring to a while ago, I shall now quote the words of Mayor Meinzinger of Kitchener:

> Kitchener is fortunate in having to receive some 300 French Canadians which are come to this place to help relieve the labour shortage in local plants. We all appreciate the seriousness of the war, and therefore must feel that it is the duty of each and every one to assist in the problem. I appeal to every home-owner and property-owner in Kitchener, Waterloo, Centreville and Bridgeport, and other centres in which we have bus and street car facilities, to open their homes to these men.

In short, room was made to accommodate these workers. As I said before, a good number of them had come to Ontario and I cannot believe the hon. member for Beauharnois-

Laprairie would wish that any attitude different from that adopted by the mayor of this Ontario town would have been taken toward these people.

Mr. RAYMOND (Translation): The reason may well be that they were not replacing their own people.

The CHAIRMAN (Text): The committee will realize it is a problem to keep the debate in order. However, I saw the hon. member for Chambly-Rouville.

Mr DUPUIS: I beg the indulgence of hon. members who have risen to speak. However, I hope they will permit me to proceed, because the debate is continuing in the other official language at the present time. This is a question of local interest. I think the hon. member for Yukon will not blame me.

(Translation): Mr. Chairman I intervene in the discussion, but this does not mean that I no longer have for my hon. successor in the county of Laprairie, the genial member for Beauharnois-Laprairie (Mr. Raymond) all the sympathy deserved by a member who rises above the petty jibes of politics to deal with a matter of public interest. The distinguished parliamentary assistant to the hon. the Minister of Munitions and Supply (Mr. Howe), the hon. member for Stormont (Mr. Chevrier), has replied to the hon. member for Beauharnois-Laprairie and I might say that his replies have relieved my conscience to some extent. If it were true that, as stated by the hon. member for Beauharnois-Laprairie, citizens of the constituency of Beauharnois-Laprairie and of the county of Terrebonne had been dismissed and replaced by outsiders, regardless of my political allegiance, I would join with the hon. member for Beauharnois-Laprairie in protesting against such a discrimination. And I am sure that the hon. the Minister of Munitions and Supply (Mr. Howe) and the hon. member for Stormont would support us, as no one wishes to commit an injustice. However the hon. member for Stormont declared, on the strength of written information in his possession, that no citizen of Ontario went to Beauharnois or to the Bouchard plant . . .

Mr. CHEVRIER (Translation): No worker.

Mr. DUPUIS (Translation): . . . to take the place of persons who had been dismissed. In my opinion, the matter is settled to the satisfaction of the committee. But while I was listening to my hon. friend from Beauharnois-Laprairie defending as always the rights of the working man, my thoughts dwelt upon the general policy of the party which he has deemed advisable to create. To give a rather mild explanation of the policy of my hon. friend, I might say that if his party's policy is not one of non-participation it is at least one of limited nationalism—I would not call it extreme nationalism, as this would be too strong a term. On the basis of this policy, my hon. friend and all those who honour him with their confidence, find that we have no justification for taking part in the war; they claim that England has treated the French-Canadians unfairly and for this reason has forfeited any right to our sympathy; they hold that all that we have accomplished since the outbreak of the war has involved useless expenditures of money and wholly unjustified sacrifices of human lives. Is this not, Mr. Chairman, the attitude of my hon. friend from Beauharnois-Laprairie?

In my student days, I had the opportunity of attending a meeting in Montreal where Sir Wilfrid Laurier was to speak in favour of voluntary enlistment. At this point, I shall indulge in a digression to tell my hon. friends of the Bloc Populaire they are mistaken when they claim that they have always been opposed to war. The hon. member for Beauharnois-Laprairie was himself a Liberal in those days and I, though quite young at the time, followed the example set by Sir Wilfrid Laurier and favoured participation in the war of 1918 though, like the hon. member for Beauharnois-Laprairie, I objected to conscription.

Mr. RAYMOND (Translation): I never favoured participation in the war, neither in 1914 nor at the present time.

Mr. DUPUIS (Translation): If my hon. friend states he was then opposed to participation, it does not speak well for him since he was as mute as a fish.

Mr. RAYMOND (Translation): That is of no consequence. You want to credit me with opinions I never held.

Mr. DUPUIS (Translation): My hon. friend asserts he was not in favour of participation in war and he admits not having said a word about it at that time. Truth did not come to him in a flash or in some sort of vagary and he did not suddenly decide to declare himself opposed to participation in war.

Mr. RAYMOND (Translation): I was not in politics.

Mr. DUPUIS (Translation): The hon. member for Beauharnois-Laprairie only minimizes his own merit and intellect when he claims he was not interested in politics. No intelligent man ever takes that attitude.

Mr. Chairman, let us get back to our onions, —I beg your pardon, I mean the Bloc Populaire. This party, and I speak without a trace

of sarcasm, stands against all participation and, above all, against the billion dollar gift. What nightmares this has given them! They have lost sleep over it. Just think, to sacrifice our sons is a great deal, to take part in the war is far too much, but to raise one billion dollars a year from Canada's public funds and give it to England, a wealthier country, is truly scandalous!

When I hear my hon. friend complain that the workers of Beauharnois-Laprairie or some other district of the province of Quebec are not treated fairly, I can't help thinking: What a paradox! In fact, my hon. friend is opposed to participation in the war, he objects to any grant that might help those who held the fort in England. When France, our former beloved motherland lay crushed in June 1940, and one country alone could repulse the enemy, the hon. member for Beauharnois-Laprairie and his followers deemed that nothing should be done. The house of our next-door neighbour but one is burning down and the wind blows towards the home of the hon. member for Beauharnois-Laprairie. He says to his children and his employees: "Never mind, I have a grudge against that fellow, let the fire destroy his property". But he is not far-sighted enough to think that before the house of his third neighbour has stopped burning, the flames will have reached the roof of his own house and it will then be too late to do anything. That thought has not occurred to him.

How inconsistent is the stand taken by my hon. friend! He claims that work should be given to those people, but how could they have had it had we not participated in this war, had we followed his advice and done nothing? Let my hon. friend rise in a few moments and tell us how many unemployed there would be in Valleyfield and everywhere in the country if we had done nothing.

Mr. RAYMOND (Translation): Will the hon. member permit me to ask him a question?

Mr. DUPUIS (Translation): I would ask my hon. friend to let me proceed with my remarks. I have not interrupted him.

Mr. Chairman, as far as I am concerned, while respecting the opinions of those who do not support my views, I find it strange that we should be considered as blind followers of a party which has betrayed the country and the French Canadians. For months and months, Mr. Chairman, ever since the outbreak of war, we have been charged with having betrayed our race. However, we have said nothing because what was most urgent, what had to be done regardless of any revilement, was to help England. Even those who had no love for that country before the war, because of the prejudice that had been spread by so-called historians, even those who had no love for that country realized the situation. Like our leader, the Prime Minister of this country, we had at first hoped that because of the Maginot line, which gave us such great hopes before 1939, Canada's participation would only be moderate. But when all countries of the European continent had, one after the other—France, our former motherland being the last one to succumb—been overwhelmed by the enemy, who would have been stupid enough, for the petty satisfaction of saying that he had not changed his mind, to refuse to give all he had, to devote all his energy, his work and his efforts to help England? And when the outstanding man who now leads the government of England said, at a time when the whole European continent was under Hitler's heel: "We shall fight on the beaches and the landing grounds, in the fields, in the streets and on the hills. We shall never surrender," could we have abandoned to their fate such men, whom some of us, without any reason, do not like? Could we have refrained from going to their help? Only a lack of knowledge of our own history could have prompted us to do that. Every school boy has a sufficient knowledge of history to recall especially the Treaty of Paris, signed in 1763, after our former motherland had been defeated on the Plains of Abraham, in 1759, and in Europe in 1763.

What was the first of the peace conditions laid down by the victor? It was the cession of Canada to England. Anyone with a knowledge of history knows that history repeats itself and he realizes that if, in 1940, following the collapse of France, England had been overwhelmed, the first peace term would have been the surrender to Germany of all the rights of the British crown over Canadian territory. Is this what my hon. friend wanted? I know that it is not so. For our part, we did not remain idle; we did not imitate the ancient Greeks, as reported by the glorious history of Greece. While Phillip, by resorting to the same method as is being used to-day by Hitler, was trying by every available means to seize neighbouring countries, the Greeks who should have heeded the advice of Demosthenes who was urging them to prepare to defend themselves against the common enemy, remained complacent and formed "blocs" such as we have to-day. My hon. friend from Beauharnois-Laprairie knows what happened to Greece. She was subjugated by Phillip and invaded by his son, Alexander the Great.

But, thanks to the foresight and vision of our leaders and particularly of the Prime

Minister of Canada, we decided not to wait until England, the next country on Hitler's time-table after France, was brought to her knees. All the colonies, all the Dominions, all freedom-loving and democratic countries rallied one after another to England's assistance, and the rest is history. Thanks to the unanimous contribution of all freedom-loving peoples, we may now hope that before long, Hitler the tyrant—I trust I do not displease the hon. member for Beauharnois-Laprairie in calling him so—Hitler the tyrant of modern times will have reached the end of his rope.

Mr. Chairman, at an appropriate moment, and with all good faith and sincerity, with malice towards none but with an understanding of truth as I see it, I wished to state why we, the Liberal party, in spite of the insults that have been and still will be heaped upon us, will continue to fight for democracy and will keep up the struggle until we have triumphed. The history of a later age will record that we protected not only those who understood the situation as we do, but also those who refused to see daylight, like our friends of the Bloc Populaire.

(Text)

Mr. ROSS (Souris): Last evening the minister said that there is no longer a shortage of material used in farm implements. This statement is at variance with the finding of the war expenditures committee which reported on January 26 of this year, after a thorough inquiry into the possibility of an immediate increase in the supply of farm implements. The committee stated that they had been assisted by farm implement companies; representatives of the Canadian Federation of Agriculture; Mr. Cruickshank, the metals coordinator; Mr. Bloom, administrator for agricultural implements; Mr. Hoey, associate steel controller of munitions and supply; Mr. Fowler, secretary to general counsel, wartime prices and trade board; Mr. Gavsie, assistant counsel, Department of Munitions and Supply.

Mr. HOWE: May I ask my hon. friend on what date the evidence was taken?

Mr. ROSS (Souris): I am not sure about that.

Mr. HOWE: It makes quite a difference, because the situation has eased greatly in the last few months. I was speaking of the position to-day.

Mr. CHEVRIER: It is over a year old, is it not?

Mr. REID: No; some time in January.

Mr. ROSS (Souris): I understand it is January of this year. The report is dated January 26, 1944. The finding is as follows:

> Shortages which still exist and which will retard production of ample quantities of farm implements:
>
> There is ample factory productive capacity in Canada to handle a much greater volume of implement production than we now have. The major problems now facing the industry are as follows: (a) shortage of malleable castings, due to volume of war production work; (b) shortage of ball and roller bearings; (c) shortage of seasoned fir and oak required for the production of certain types of farm machinery; (d) shortage of experienced manpower.

In 1939, at the time of the declaration of war, there were 53,000 tractors in Britain. In 1942 they had 150,000 tractors. The number of implements used in connection with these tractors has jumped from 200,000 in 1939 to well over a million in 1942.

In Canada, for 1944, production of essential farm machinery will be brought up to 80 per cent of the 1940-41 output, and spare parts to 150 per cent of that output. Under this control, only 10,000 of the 26,000 tractor orders can be filled during 1944. In Britain to-day, with less than one-third of the cultivated acreage of Canada, there are more tractors in use than we have available in Canada.

In more normal times, some years ago, farmers of western Canada spent approximately $50,000,000 annually upon farm implements. On account of depreciation and as a result of lessened purchasing power for a number of years prior to the outbreak of war in 1939, it was estimated at that time by implement manufacturers that it would require approximately $200,000,000 to bring our farm implement equipment up to date.

Agriculture is an industry engaged in the production of foodstuffs, an industry with approximately 735,000 branch factories across Canada. Approximately 450,000 men and women have left the farms of Canada for service in the armed forces or in war industries.

The point I should like to make is that, with our farm labour shortages, tractors and especially combines along with other essential implements should be made available to as great an extent as is reasonably possible in order to assist in solving our labour problems.

The statement of the minister last evening, as I pointed out, is a contradiction of the report of the war expenditures committee in the past few weeks, and I trust that he will clarify this situation. I think he will realize that this is a very important matter and that our farmers need as soon as possible a much

greater output of farm implements, provided that it does not interfere with the production of essential equipment for the battlefield.

It was pointed out in a return brought down the other day that there have been issued from September 10, 1939, to March 15, 1944, 42,398 orders in council and 23,287 minutes of treasury board; that, since the present session of parliament commenced on January 28, 1944, to March 15, 1944, 1,186 orders in council and 850 minutes of treasury board have been passed. Therefore, I think, one may realize how difficult it is to follow all the various orders which are issued, not only orders in council but orders of these various controllers.

I should appreciate it if the minister could clarify this situation. The controllers in his department sat in with and gave evidence to the war expenditures committee. As a result we have their report, and for the sake of the producers from coast to coast the minister should make a statement to clear up this matter.

Mr. HOWE: I should like to answer the hon. member immediately. I was reporting on the position in my own department as regards controls. In the years 1941, 1942 and the first eight or nine months of 1943 there was a very tight steel situation in this country; it was necessary to ration every use of steel outside of direct war use; but in that period certain allocations of steel were made to the agricultural industry. The industry is administered by the wartime prices and trade board; nevertheless, since we control the use of war materials, the allocation in these years was made by agreement between the steel controller of my department and the agricultural implements administrator of the wartime prices and trade board.

During the last few months we have had sufficient steel for all reasonable purposes and the restrictions on use of steel in agricultural implements have been removed.

My hon. friend spoke of other situations. One was the supply of malleable castings. There is sufficient capacity, I think, for the manufacture of malleable castings in this country. The difficulty there is that malleable castings have in the past been largely imported into this country, owing to the fact that malleable castings made in large volume cost considerably less than the volume which was made in that time in Canada. The result is that the malleable castings business must be built up if it is immediately to take the whole load of the agricultural industry. However, we have that capacity in Canada, and the situation will be met as rapidly as the output can be built up.

[Mr. J. A. Ross.]

As regards ball bearings, of course we in Canada do not make ball bearings, and that is a situation which would not come within the jurisdiction of my department. That may be a bottle-neck, so far as I know; but there is no regulation of my department, at least—and when I speak of "my department", I refer to the administration of the controls of the raw material—which would interfere with the manufacture of implements.

Mr. FRASER (Peterborough West): What is the position with regard to metal roofing?

Mr. HOWE: There is no immediate hope for the release of metal roofing. Productive capacity for the manufacture of thin sheet is very badly overloaded, and plants are working to capacity on uses of much higher priority than thin sheets for roofing, to which my hon. friend refers.

Mr. FRASER (Peterborough West): Metal roofing for barns.

Mr. HOWE: There is no possibility of obtaining this for a few months yet.

Mr. FRASER (Peterborough West): Even for patching?

Mr. HOWE: Yes, for patching there will be sufficient under certain conditions.

Mr. KINLEY: Last evening the hon. member for York-Sunbury made what I thought was a rather provoking criticism of the Minister of Munitions and Supply, wherein he alleged that there was geographical discrimination in the distributing of war industries across Canada. In that he was referring to the report on the government's financial expansion of the industrial capacity of Canada. I think the criticism of the hon. member was unfair, distorted and incorrect, and I will deal with one or two items to show how misleading it was and how unfairly it would present the matter to the house.

Mr. GRAYDON: Does the hon. member think the maritimes are getting a square deal?

Mr. KINLEY: I will come to that. On page 1790 of *Hansard* the hon. member for York-Sunbury is reported as follows:

> Then there is a table 1A-11, general purchasing and miscellaneous, purchases of merchandise. Crown plants government operated, nil; crown companies government operated, nil; crown plants operated by private corporations, $5,000; privately owned and operated plants, general merchandising; Trenton Steel Works is the only one and it received $23,268 out of a total of $530,972,648.

The hon member had exhausted his time and he was stopped by the Chairman at a very opportune place, because he skipped over part of the report. He left out the last pages

altogether; perhaps the reason was that he was obliged to sit down. In the last part of the report the majority of the items were for the maritime provinces. Trenton Steel Works received $23,371, which he accounts for as above. But on page 20 they are shown as having received $2,465,944, while on page 5 Trenton again received $636,685.

The hon. member led the committee to believe that this firm received the sum of $23,371, omitting the fact that they had received three amounts, totalling over $3,000,000. At page 1787 of *Hansard* the hon. member is reported as saying:

> . . . it is the whole table I am talking about. For the whole table that I am referring to, which covers a net expenditure of $83,462,508, the actual total expenditure in the maritimes was $2,022,671. That is the only one in the whole page. Coming then to machine guns and small arms—

As a matter of fact, the item to which he refers was the Eastern Car Company Limited, the amount being $2,022,671. On the same page we find Trenton Steel Works with $636,685; the Canadian Car and Foundry with $351,294, and the Canadian Car and Foundry again with $57,988. So that he was grossly unfair in his presentation of the figures, leading us to believe that the amounts he mentioned as having been given to the maritime provinces, while we admit they were small for the purpose of assisting industry, represented the whole picture. They were not given correctly.

Mr. BROOKS: You are too easily satisfied.

Mr. KINLEY: I believe in the truth, and in keeping the record straight. He was presenting to the house a picture of war-time industry, conveying to the people what they were receiving in the war industrial endeavour of the nation. But this is only a very small part of the industrial endeavour of Canada. We have the estimates of the army, navy and the air force, and surely, in computing what goes to any section of the country in our war expenditures, we must include the whole picture; otherwise we get something which is dislocated and distorted.

Mr. BROOKS: The people of the maritimes know the picture.

Mr. KINLEY: He might have mentioned the great development in Shelburne, the great naval base there. He said nothing about the great naval training depot at Deep Brook. He said nothing about the development at Sydney or the developments at Halifax.

Mr. HANSON (York-Sunbury): Sydney; was that the place where another dock fell into the harbour?

Mr. KINLEY: He said nothing about the training camp at Debert. He said nothing about the marine railways on the coast of Nova Scotia at Shelburne, Lunenburg, Louisburg and Liverpool.

Mr. CASTLEDEN: And all points east.

Mr. KINLEY: There is a picture of war-time development that is in keeping with maritime industry and it is something we should naturally look forward to, part of our endeavour, part of the work we can do best in the interests of the war. Then there was the rolling mill at Sydney for rolling steel plate. It is true it was not financed except by loan, but I am sure that one development alone at Sydney ran into millions.

The hon. member says that we are too easily satisfied. I want to tell him as a business man that there is nothing that concerns me more than the overdevelopment of uneconomic industry, and if we get ephemeral industry in any part of the country for the purpose solely of mushroom war-time development, it will create a condition, after the war, disturbing the economic situation in that section to such an extent that we shall be sorry it was ever started.

Mr. BROOKS: Is the hon. member satisfied with the industrial development there has been in the maritime provinces and with the attention the government has given to the maritime provinces?

Mr. KINLEY: No, I am not.

Mr. BROOKS: No.

Mr. KINLEY: And I have not been for many years. But it does not lie in the mouths of the Progressive Conservative party to talk about development in the maritime provinces. The hon. gentleman has asked a question and I will answer it. The Liberal government once was in power in Nova Scotia for forty years.

Mr. HANSON (York Sunbury): Too long.

Mr. BRUCE: Forty years too long.

Mr. KINLEY: I admit it was too long, longer than a government in any other part of the British empire. They were dying of old age, and a friend of mine, who was also a friend of these gentlemen, the late Hon. E. N. Rhodes, undertook to bring the boys back home. He said that Nova Scotia would prosper if the people elected him and put the Liberal government out of power there. He said that we would have our rights in the dominion. Well, they were in for two years, and when they had an election they came back with a majority of three and kept

on for another term when they were defeated, bringing back only a remnant of the men they elected when they went into power.

It is the industrial tariff and concentration of industry that has ruined Nova Scotia, the tariff that has built up big industries in central Canada. The idea of the men who created this situation in this country now coming to us in war time and saying, "You should have more in Nova Scotia because you have been neglected in years gone by," looks like a Daniel come to judgment. At the present time I believe that Nova Scotia has a degree of development which is better than we have had in many years. If we increase our development beyond the labour that we can supply to industry we should be creating a condition that is not good. At the present time labour is coming into Nova Scotia from other parts of Canada and I am greatly concerned about it because it is creating confusion. I wish to tell the Minister of Labour that we shall hold him to account if labour that has come in from other parts of the country continues to be employed and Nova Scotians are discharged.

Last night the Minister of Munitions and Supply told the hon. member for York South that when he took hold of that department it was his job to create an industrial machine to carry on the war, and in doing that he had to survey the situation and build where he could get the support naturally from those who could give it to him quickly. With the foundation of industry in Canada, as it was, centralized in the central provinces, they would get the major portion of the financial assistance to expand. We in the maritimes looked for that part of the development for which we were particularly suited and where we could do the job that was required at tidewater by men who serviced the sea activities.

There were plants in the smaller towns along the south coast of Nova Scotia which had survived since the last war. I know that during the last war one plant in Lunenburg had a trade all over this country and in foreign lands. They shipped equipment for ships to Greece, British Columbia, South America and the West Indies. When this war broke out, those plants were particularly suitable for marine work; and the minister, by providing new marine railway equipment, and by helping some of them that needed it to get the proper machinery, made a good move. This created a situation which has enabled Nova Scotia to make a contribution to the navy which has been so much praised in this committee and which is a credit to the shipbuilders and the ship repair plants and personnel of Nova Scotia.

My chief object for the future is to hold what we have in Nova Scotia. If we can hold what we have, and if we can keep employed the number of people that we have employed there, I shall be satisfied. That is much better than if we had, say a hundred thousand more men in Nova Scotia, because they of necessity must lose their jobs when the war is over.

Mr. HANSON (York-Sunbury): That does not need to happen.

Mr. KINLEY: I think there will be some disillusionment.

Mr. HANSON (York-Sunbury): So do I.

Mr. KINLEY: But I wish to tell my hon. friend that I do not think it will be as bad as it was in the last war because—

Mr. HANSON (York-Sunbury): That is a matter of opinion.

Mr. KINLEY: This time labour is earning more money. More money is being distributed among the people. There is a degree of saving, a degree of investment, which will make purchasing power for the people that they did not have in the last war. In the last war money was concentrated in the hands of the few who made a deal of money out of the war. They had tax-free bonds that do not exist at this time. I think our economic position will be much better than it was at that time.

Mr. BROOKS: You had better wait and see.

Mr. KINLEY: I wish to touch on another subject. We are at war. Nova Scotia was very vulnerable at the start of the war. There were many people who thought Nova Scotia might be in an invasion district. Many people thought our shores might be visited by the fleets and armies of our enemies. I wish to tell the committee that within sight of the shore of Nova Scotia merchant ships were sunk by submarines and the crews brought into our ports. We had the enemy right at our door. What kind of minister would it be who had regard for the national safety of this country who would put key industries such as munition factories and that kind of thing on the coast unless it was necessary for him to do so? One of the things we are told about Canada is that you can do things in comparative safety. The air force is in Canada because of its comparative safety owing to vast distances. In so far as some of the industries are concerned I am sure that the safety feature and the element of hazard were some of the things that came into play and should have come into play

with regard to the placing of war-time industry where it could do the most good with the utmost safety.

Mr. HANSON (York-Sunbury): That may apply to Nova Scotia; but what about New Brunswick, which got nothing?

Mr. KINLEY: I am going to let my hon. friend speak for New Brunswick. I represent an intelligent community on the south shore of Nova Scotia.

Mr. HANSON (York-Sunbury): I have often wondered why.

Mr. KINLEY: I am satisfied to speak for them.

I should like to return for a moment to the report on the expansion of industrial capacity in Canada. When I turn to page 21 I see that in Nova Scotia the following firms were assisted in their finances, I suppose some in buildings and some in buying machinery: Thompson Bros., Machinery Company Limited, Liverpool. That is in my own riding. Starr Manufacturing Works Limited; St. John Machine Shop; St. John Iron Works Limited; St. John Drydock and Shipbuilding Company Limited.

Mr. HANSON (York-Sunbury): All chicken feed.

Mr. KINLEY: Pushle's Machine Shop; Purdy Bros., Limited; Pictou Foundry and Machine Works Limited; R. Musgrave and Sons Limited; Mersey Paper Company Limited; Margaree Steamship Company Limited; T. Hogan and Company Limited; Hillis and Sons Limited; Halifax Shipyards Limited; Atlantic Spring and Machine Company Limited; L. H. Cann, Limited. I shall not give amounts.

An hon. MEMBER: I would not, if I were you.

Mr. KINLEY: Rhodes Curry wharf; wharf extension (Acadia Sugar Refinery).

Mr. HANSON (York-Sunbury): The Acadia Sugar Refinery is shut down.

Mr. KINLEY: The hon. member talks about chicken feed. The Robb Engineering Works Limited received an expenditure of $59,543. The Trenton Steel Works received $2,465,944. The Canadian Car and Foundry Company received $179,729, and the Foundation Maritime Limited, $2,249,553. Is that chicken feed? Then we come to the Clare Shipbuilding Company Limited, the Eastern Woodworkers, Foundation Maritime Limited, Halifax Shipyards, $579,160; Industrial Shipping Company, and J. D. Irving Company Limited.

Mr. HANSON (York-Sunbury): They dic not take it.

Mr. KINLEY: Irving had the commitment but did not use it. The hon. member was not in his place when I started, but I wish to say that he did not give a complete report in the pages he covered when he was speaking last night. He omitted to give the parts in which Nova Scotia was especially interested.

Mr. HANSON (York-Sunbury): The Chairman stopped me. I would have been going yet, if I had a chance.

Mr. KINLEY: The minister must feel gratified with the way in which he has been complimented by hon. members on all sides of this chamber. I think Canada was particularly fortunate in securing a man of his ability and attainments to head this department at a critical time in our history.

Mr. HANSON (York-Sunbury): Might I ask the hon. member a question?

Mr. KINLEY: The minister has intimate knowledge of Nova Scotia; I believe he is a descendant of the great Joe Howe, still the greatest of all Nova Scotians. He bears an illustrious name, and I am sure he will look after the interests of Nova Scotia in connection with war-time industry in a way that will appeal to sensible men who have a knowledge of current affairs. When the minister was a young man he taught engineering at Dalhousie university, and I have no doubt that at that time he learned a great deal about the needs of that province. Since then his horizon has extended greatly; he has travelled and built all over the world; and it does seem to me that at this time, when any man has to carry such terrible burdens in connection with our war-time industry, we should at least be gracious enough to offer fair criticism, and not invoke the technique of legal confusion in order to present to the committee a picture that is not in keeping with the facts of the matter under discussion. Now, if my hon. friend would like to ask a question, I am prepared to answer it.

Mr. HANSON (York-Sunbury): I just wish to ask the hon. gentleman if he is quite satisfied with the allocation of war industries under this government, in respect of the maritime provinces; yes or no.

Mr. KINLEY: Some years ago a little book called "The Liberal Way" was published, which contained a statement something to this effect: that a Liberal was one who was never satisfied, who always advanced and never arrived. That is the way I feel. We want to go on from one thing to another. We think we are doing fairly well; we consider that this war is being

run in a way that will commend itself to the thinking people of Canada; and we believe that these criticisms which are intended to disturb public opinion for political purposes are not worthy of men who have served for a long time in this House of Commons. That is a compliment to the hon. member for York-Sunbury. He is an able member of this house, who I believe could be, if he so desired, of great help to the minister. If anything is really wrong, let us hear about it and let us deal with it; but please let us not see the spirit which is sometimes manifest during the confusion of an election, when Canada is facing such severe conditions and when men should be doing their best in order that our industrial effort may be the utmost of which this country is capable.

Mr. HOWE: I should like to clear up one or two matters which were referred to yesterday. Before doing so, however, I wish to thank the hon. member for Queens-Lunenburg for his eulogy. I am sorry to say that I am not a descendant of Joe Howe, but I am very proud of the fact that Joe Howe and I come from common ancestors. I think that is the most I can claim in that connection.

Mr. DOUGLAS (Weyburn): Joe Howe is silent on the question.

Mr. HOWE: I did not hear that; I am sure I missed a choice remark.

Last evening the hon. member for Lake Centre offered some comments on the wood fuel situation in Manitoba. I think his statement is pretty well summed up on page 1777 of *Hansard*, where he is reported as follows:

> After all, when the minister speaks I listen to him, and he can answer me afterwards, as I do him. Just because the minister realizes that $800,000 or thereabouts was thrown away, naturally he becomes annoyed. He was warned about this, and his controller was warned that the wood was not needed in Winnipeg, that wood could have been obtained in Manitoba at a freight rate of 4½ to 7 cents.

As I stated yesterday, the fact of the matter is that the situation last autumn was considered so serious that leave was sought to move the adjournment of the house to call the attention of the government to an alarming situation. The hon. J. S. McDiarmid, Minister of Mines and Natural Resources of Manitoba, predicted a wood fuel shortage of from 100,000 to 125,000 cords in that province for the winter of 1943-44. My department was responsible for the fuel situation, and took steps to provide 500,000 cords of emergency fuel wood, cut in such locations as could be arranged, and available to move into distressed areas. Fortunately we have had a mild winter, but the fact that we have had these reserve stock-piles has saved a good many situations during the winter. If the winter had been severe I feel certain that we still would have met the need, but owing to the mild winter we have a considerable quantity of emergency wood available. As regards the Winnipeg situation, naturally if there was to be a shortage it would be at the end of the winter. The movement of 500,000 cords of wood involves the movement of about 350 cars of wood every day of the season, and that is a fair job for the railways. Naturally the wood had to be moved into strategic positions gradually; we could not wait until the actual shortage developed and then hope to get cars overnight to carry out the movement. Therefore in the early part of the winter we were moving certain quantities of wood into centres where we believed it would be required. Actually we moved 8,733 cords of poplar from the head of the lakes to Winnipeg. This wood was purchased at a cost of $7.50 a cord f.o.b. freight cars. The freight charges have averaged $5.18 a cord, based on an average rate of thirteen cents per 100 pounds. Sales have been made to dealers at $5.15 a cord, which has resulted in a loss to the government on the sale of this wood of approximately $65,700. I compare that figure with the figure mentioned by the hon. member for Lake Centre, namely, $800,000. I believe his earlier figure was from $600,000 to $900,000, but apparently in the latter part of his remarks he compromised on $800,000, which is an exaggeration by some twelve or fourteen times.

My hon. friend says that he has no objection to wood being moved. He thinks it is quite proper to arrange for these emergency supplies, and to move them. But he said we should have waited until the wood had dried out, because we could have moved it at a lower freight rate. I point out to him that this wood was cut in the autumn, and it does not dry very well when it is frozen. Therefore to have moved it at the cheaper freight rate would have meant waiting twelve months, and moving it for the next year. Had the winter been cold, that would not have helped the situation in the city of Winnipeg during the present winter.

I think that covers the corrections. The hon. member for Lake Centre is an industrious member of parliament. But it seems to me that he spends too much time in speaking in the house, and too little time in acquiring the facts. I would suggest for his future guidance that he do a little more research, so that—

Mr. GRAYDON: He does not need a lecture from the minister.

Mr. HOWE: I am speaking now. I took a lecture from him last night, and now I will give him one, if he does not mind. Of course, if he minds I will stop.

Mr. DIEFENBAKER: Now that we have had the statement from the minister the facts have been revealed. The minister has referred to the 8,733 cords of the 75,000 cords that were cut at the head of the lakes. If the same proportion on the 75,000 cords was loss, then the loss would actually be about $600,000. Would the minister now tell us as to the disposal of the remaining 67,000 cords; where they were sold; how much was the cost, and what the freight rate was? If the computation is made in connection with the 75,000 cords, it will be found to be very close to my estimate. The figure I gave in regard to cost was correct, and in regard to the sale price of the wood—I said 12,500 cords—I was correct.

Now I ask him to give us the figure with reference to the other 67,000 cords. I do not think the suggestion made by the minister will be borne out by the facts. When I make a statement, and take a stand such as I have done from such information as I am able to gather, it is correct. I have not in any way made statements which are incorrect. In that connection let me say this, that one of the great difficulties hon. members have is that they must go outside the house to get information that should be readily available in the house. This can be secured only by members who are industrious enough to spend their time in investigating these matters. If any question were asked regarding this matter the same answer might very well have been given, one which has been given too often in the past, that it is not in the public interest. The investigation I made disclosed, and it is borne out by the figures submitted, that on the basis of 8,733 cords, the loss suffered by the government would be over $600,000.

Let me add this now, that the government sold this wood at $5.15 a cord. My figure of 12,500 cords was wrong. The government sold this, and there is no denial of the fact that the controller, and the fuel controller in Winnipeg, were not discouraged in making the sale, but went ahead with it. The individuals who purchased it for $5.15 a cord immediately turned it over in the ordinary course of events to the city of Winnipeg at $6 a cord.

Mr. HOWE: Nothing of the kind.

Mr. DIEFENBAKER: I beg your pardon?

Mr. HOWE: Absolute denial.

Mr. DIEFENBAKER: All right.

Mr. HOWE: My hon. friend had better stop talking and let me tell him the facts.

Mr. DIEFENBAKER: Will the minister give us the facts as to what disposal was made of the 67,000 cords of wood, to account for the 75,000 cords?

Mr. HOWE: A considerable part of the 75,000, when it was found that the requirements for fuel would not be as large as had been expected, was sold for pulp, and sold at a profit.

Mr. DIEFENBAKER: I thought the minister said last night that some part of it was shipped east.

Mr. HOWE: Probably some of it was; I will get the exact figure. A very considerable part of it is there, and will be moved by barge into the Toronto area during the summer months when, as suggested by the hon. member, it will be dried out. But my hon. friend is trying to dodge, very artfully. Last night he confined his remarks entirely to the scandal of moving wood into Winnipeg. If it is not worth that amount to make the city of Winnipeg secure against any eventuality in the matter of fuel wood, then perhaps we acted extravagantly in that matter. But, knowing what we do know, and having the alarming statements not only in this house, but from the provincial authorities in Winnipeg, I think we were justified in doing what we did do.

Progress reported.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

TECHNICAL EDUCATION ACT

AMENDMENT TO PROVIDE FOR APPROPRIATION OF UNEXPENDED FUNDS

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

That it is expedient to introduce a measure to amend the Technical Education Act to make available, for the purposes of the act, any portion of the unexpended appropriation during the period of five years succeeding the fiscal year ending March 31, 1944.

Mr. GRAYDON: Mr. Speaker, perhaps, before we go into committee, the minister might like to give some explanation to the house as to the reasons and necessity for the bill to be founded on this resolution. I would ask him if he is in a position to do so at this stage.

Mr. MITCHELL: Mr. Speaker, this resolution is precedent to the introduction of a bill to provide for the continuation of the provisions

of the Technical Education Act of 1919, as amended by the Technical Education Act of 1929 and again of 1934.

The scope of the proposed amendment is fully set out in the resolution. Similar resolutions were considered and similar bills passed by parliament in 1929, 1934 and 1939, in order to effect the continuance of the original act of 1919. Hon. members will remember that under the act the dominion government provided $10,000,000 for purposes of technical education throughout the dominion, $10,000 being provided yearly for each province and the remainder of the $10,000,000 being apportioned on the basis of population. Under the original act and subsequent amendments, twenty-five per cent of the money provided by the dominion and the provinces goes into building construction.

Mr. GRAYDON: Twenty-five per cent?

Mr. MITCHELL: Yes, and seventy-five per cent to provide the necessary technical education. Every province with the exception of Manitoba has taken up its allotment of the $10,000,000, and at the moment there is $147,430.42 left in the allotment for Manitoba. All that this amendment does is to make possible the expenditure by the dominion of that amount in conjunction with the province of Manitoba.

I should like to point out to the house that the Department of Justice has indicated that the bill founded on this resolution must receive royal assent before the 31st of this month or else the original bill will lapse. That is the reason for the urgency of the passage of this amendment to the act of 1919 at this time.

Mr. GORDON GRAYDON (Leader of the Opposition): Mr. Speaker, this resolution affords an opportunity to the house to discuss one of the most important and, indeed, urgent questions facing the people of Canada at this time, a question which will become more important and more urgent perhaps as the days roll by. Apart altogether from the divisions into which the educational programmes of the provinces and the dominion fall, whether it be technical, vocational or some other branch of the educational field, this whole problem of education is one to which the house and the country should give urgent consideration.

One must, of course, approach the problem of education first of all from the point of view of the respective jurisdictions of the provinces and the dominion. Under the British North America Act, by section 93, education rests primarily with the provinces, and with that none of us will quarrel, because primarily it is a provincial matter and must remain with the provinces. But that does not presuppose that there is not a responsibility for education resting also upon this dominion parliament within the jurisdiction in which it operates. Technical education particularly, and if one wishes to describe it, adult education and vocational training is not only of provincial but of federal concern, it being always borne in mind that the primary jurisdiction for education rests and must rest with the provinces.

The Technical Education Act passed, as the minister indicated, in 1919, was the beginning of that movement which indicated the importance of technical education in a country like Canada, and more than that, it emphasized its importance from the dominion point of view. The importance of education and vocational training, if you like, is coming to be more and more clearly recognized as time goes on. We have made great strides in the educational field in the various provinces, but that does not mean that there is not still much to be done. The skills of the mind are important, but we must never lose sight of the importance of the training of the hand, and in this country in the days to come I hope that we shall always maintain a good balance as between the skills of the mind and the skills of the hand.

The problem of education has been tackled by the provinces, and by some of them very courageously. In Ontario from which I come there has been a recognition of the need for reforms in the educational system. The government of the Hon. George Drew has already during its short regime in this province recognized and will continue to recognize the importance of the educational system to the people of Ontario, and education is featured in the programme which that government is now attempting to carry out with great celerity and dispatch. Education is one of the planks on which that government was elected, clearly indicating the importance of the whole problem of education in the provincial sphere. Here is the programme of the province so far as education is concerned:

> Our educational system will be completely revised so that every child in this province will have an opportunity to be educated to the full extent of their mental capacity, no matter where they live or what the financial circumstances of their parents may be. Vocational training will be made a much more important part of the school work, so that children may be prepared to earn a living by practical vocational instruction. The important place of our teachers in each community will be fully recognized.

I believe that to be a reflection of the general thought concerning educational affairs. Perhaps this is not the time or the place to discuss a subject which comes within the jurisdiction of the provinces; but we must recognize that it will be a responsibility within

the competence of the dominion to tackle, and fairly soon, those aspects of education which relate to matters of geography and ability to pay; to see to it that a student's location or his financial position shall not, as in the past, prejudice his right to a proper education. That is one of the ways in which the dominion and the dominion government can play an important part in the reform of our educational system. The question of ability to pay affects the whole problem of equal opportunity for our children. I am one who believes that the potential value to Canada of the boy or the girl in the far hinterlands is just as great as that of children who live in areas of greater opportunity, larger wealth, and more closely concentrated population. Having that definitely in mind, realizing the great differences of income which prevail in the different geographical locations and sections of Canada, I am frank to say that it does not seem right that because a child is born in one particular part of the country he should be denied full and equal opportunity so far as education goes. Attention must be given to the removal of the bars of geographical isolation and financial incapacity, so that the fullest measure of education shall be available to those who have the capacity and the desire to profit by it.

I hope that the government will also consider and review the whole matter of national scholarships. I realize that moves have been made in this respect. National scholarships would go far to meet a very real problem connected with education. I suppose there is not one hon. member but can call to mind boys and girls who were brilliant and industrious and who desired to obtain an adequate education, but who, because of their parents' lack of means, or for other reasons beyond their control, were denied that opportunity. It seems to me that this nation cannot risk the loss of many bright minds merely because of such obstacles as I have mentioned, and which it is within the power of this parliament to remove.

Therefore, if the matter comes within the purview of the minister's department, I suggest to him that he enlarge the scheme and increase the amounts of national scholarships to enable students of this class to pursue their courses to the limits of their mental capacity rather than to the limits of their material resources.

The whole question of technical and vocational training assumes special importance because of the great job which will have to be done when our armed forces are demobilized. Under particularly good leadership—I refer to the Canadian Legion—a great move has been made in the interests of the men of the armed forces while they are in the service. In addition, men benefit by the trades which they are enabled to learn while under enlistment. But I believe the government will have to consider enlarging the possibilities of giving young Canadians of both sexes, when they cease to wear the uniform, an education which will enable them not merely to become equal in earning capacity but to have even some preference over their civilian contemporaries and others who have not borne the brunt of battle through these years. In the matter of both technical and vocational education it is the dominion government which must give the lead and provide funds.

Adult education through the radio and the motion picture affords an important subject for consideration. In this field the federal government could properly take a heavy measure of responsibility. The air waves and the screen provide media particularly suited to this type of national education.

In passing, let me point out that in the rural communities there has not yet been developed, to the extent that we could wish, a proper system of education on agricultural lines, a system which through the primary and the secondary schools will train and equip our youth for agricultural activities. It is not impossible that many men in this chamber would now be engaged in agriculture instead of some other calling had it not been fashionable in the old days in the secondary schools for men—and women too—to drift into the professions. That trend, observable all over Canada, has not been a good thing for agriculture although it has enriched the larger centres. If agriculture is to continue to be a great industry and to develop as we hope, it is not too much to expect that our educational system shall direct and guide pupils from their early days into lines of agricultural activity and instil in them pride in the agricultural vocation. That is one of the things which must come in this land.

We have had debates in this house on the question of agricultural research, which, as most members who took part in those debates pointed out, is an important departure in that industry. In the competitive days to come no stone must be left unturned to ensure that farm life in Canada shall be raised to a position of importance so that it may take its place alongside other lines of endeavour and find its level of equality with other industries. The workers of Canada, too, are entitled to a broader and more abundant scheme which will be of benefit to their children, enabling them to obtain proper technical education and vocational training generally.

I merely wanted to point out on this occasion the importance of the whole problem of which this is but a very small part. Technical education, vocational training and education generally will, I hope, provide a means whereby this parliament, and the government, whatever government may succeed this one, shall make sure that the people are not neglected as in the past. We must see to that.

Mr. NICHOLSON: We will.

Mr. GRAYDON: Of course, you are the only one who has ever suggested such a possibility. I am trying to be modest in the rather boastful air to the left of me. My hon. friend used to teach school, but after all he will not choose to regard me as a pupil at the moment. During the past in Canada education has been regarded by the dominion as an orphan. That must no longer be so. While we must respect and preserve and maintain at all times full provincial jurisdiction in this matter, still there are many fields in which we as a federal parliament can assist the various parts of the dominion financially as they need assistance. I am not one who believes that simply by giving grants to the provinces we as a dominion should hold a bludgeon over the provincial legislatures to make them do what we would like to have them do. That must never be the policy of the government. Rather, it must be the policy of this government and parliament to see that financial assistance is given to the provinces so as to provide a more uniform opportunity to pupils across Canada, regardless of the financial condition into which they were born or in which perhaps their parents may find themselves.

I would urge the minister to regard this measure as simply one of those factors, small as it may be, in the general scheme which I hope the government is planning in the way of assistance to education throughout the dominion. The challenge to this parliament and to this government, the challenge to all the provinces, is imperative. The education of the new generation which is coming up is of such vast importance as almost to stagger one sometimes when one stops to contemplate the possibilities. In Europe and in other parts of the world education has been directed along certain lines which we think are undemocratic and which have led to bitter trouble throughout the world. The new generation now growing up are our citizens of to-morrow and are the most valuable asset that Canada possesses. There is no asset that can equal our pupils, and we must recognize this fact. Moreover, we must treat with equal consideration those charged with the responsibility of teaching those pupils. They also are valuable national assets. The teaching profession, however, has not been paid as it should have been. We have money for other lines of endeavour but there has been too niggardly treatment of our teachers. I hope, therefore, that in the days which lie ahead there will be something better for those who teach and those who would learn, and that a giant structure, erected with a greater Canada in view, will make for that progress and development to which we all look forward.

I have pleasure, therefore, in supporting tonight the minister's resolution upon which a bill respecting technical education is to be founded. I regard it as a channel whereby we can bring to the government's attention the important problem of education, which must no longer be ignored or disregarded.

Mr. ANGUS MacINNIS (Vancouver East): I am not going to hold up the passage of this resolution or the bill that will be based upon it; nevertheless I do not believe that this is a step in our progress toward better education for everyone. Indeed, it is only a small part of a plan that was put into effect many years ago. One of the provinces has failed to take advantage of its share of the assistance granted, but I see no reason why the house should not pass the bill so as to give the province concerned an opportunity to take advantage of such assistance if it wishes to do so. I should like to impress upon the Minister of Labour (Mr. Mitchell) my belief that the time is opportune for the government, of which he is a member, to bring before the house a comprehensive scheme of federal assistance to education.

I am sure the minister and hon. members generally will agree with me that such assistance is badly needed in Canada. The mere fact that of the nine provinces that had the opportunity of benefiting under this legislation, which was passed in 1919, eight have long ago taken advantage of the assistance offered to further technical education in their respective areas, indicates to me that the provinces would welcome additional assistance. I agree with the leader of the opposition (Mr. Graydon) that there is no reason why the dominion, in giving assistance, should seek more supervision than would be necessary to make sure that the grant was properly used. It was not found difficult to accept the grant and to satisfy both the provinces and the dominion under the old plan. I believe that many of the technical schools in the country are benefiting to-day from government assistance given for the purpose of training boys and girls in war work. I submit to you. Mr.

Speaker, that if it is important—and we agree it is important—to train boys and girls for war, it is equally important, nay, more important, to train boys and girls for peace as soon as the war is over. The problems of peace, as the years preceding the war brought home to us so definitely, are no less important than the problems of war.

There is another reason why the government should be ready with a comprehensive scheme of federal assistance for education once peace comes. But may I repeat, I see no reason why it should not be put into effect before peace comes. This war has taken an enormous toll of the better educated young men of this and of every other nation engaged in it. Possibly there has been no other war in history where the flower of the intelligence of our young people, if I am using the correct term, has been sacrificed to the same extent as in this war. Unfortunately in the past only a very small number of our people were able, to any extent, to take advantage of advanced educational training. I had the figures for British Columbia a few years ago. The figures that I shall give may not be absolutely accurate, but I think they will be found to be very close to the mark. It is doubtful if seventy-five per cent of the pupils who begin school at the age of five or six go through the elementary schools, and not more than thirty-five or forty per cent enter high school. Only a percentage of the number entering high school continue to matriculation. In British Columbia statistics show that only four per cent of the pupils who go to school reached university and a still smaller percentage than that passed through university. Surely we are not on that low intellectual level that only four per cent of our people can benefit by a university education?

There are various reasons why we have made such a poor showing in our schools. The reasons are largely economic. First of all, there is the poverty of some of the provinces. Then there is the poverty of certain districts within the province where, under our provincial educational system, the school districts pay for the elementary education with, of course, a certain amount of provincial assistance. Then there is the greatest drawback of all, the poverty in the home. Until we raise the economic level of our people by increasing wages, or in some other way, poverty will continue to be a bar to the education of the families of the poor. I do not think that difficulty can be met by scholarships. I believe that scholarships are of value; but the capacity of the pupil to benefit by advanced education cannot be measured until that pupil has a least reached high school and has possibly had some years in high school. Therefore there must be something more than scholarships. Some means must be provided by which the children of the poor can be continued in school until it can be discerned whether or not they can benefit by further education.

As I said at the beginning, I see no reason why this measure should not be allowed to pass without any great amount of discussion, but I believe this house should impress upon the minister the urgent necessity of the government doing something to give assistance to the provinces to further technical and other advanced education. This would in turn take some of the load off the provinces and more could be spent on elementary education. But there is a whole field here that will have to be covered in some way if we are to do some of the things that the leader of the opposition said should be done, but which were never done, regardless of what party was in power in Canada.

Mr. JEAN-FRANÇOIS POULIOT (Témiscouata): I have listened with great pleasure to the speeches made by the Leader of the Opposition (Mr. Graydon) and the hon. member for Vancouver East (Mr. MacInnis).

This resolution precedes a measure to amend the Technical Education Act. There is not an hon. member who will not agree that education, especially technical education, is an important thing for youth. But while I was listening to the speeches I was thinking of something, namely, that it is very good to boost education on paper and even in legislation, but on the other hand we must be more practical than that. We must not take it for granted that the men who will indulge in technical work shall be men who are physically unfit. At the present time those who work as technical tradesmen are considered as making an inferior contribution to the war effort. They are not put on the same footing as the men and women in the army. If all that has been said before is true, it must be acknowledged that those men who work in technical trades do something that is just as vital to the war effort as that done by those who are in the army.

That is my first contention. Now it is the fashion to give the cold shoulder to the man in overalls. Many people are under the impression that sick boys from sanatoria, boys who have been undernourished and who are weak physically, can do the work of able-bodied men. I do not agree; probably no one does in private, but when the time comes

to express an opinion everyone seems afraid to say so. There is no shame in wearing overalls; there is no shame in having spots of grease on overalls. The beautiful and expensive limousines in which landlords ride among the crowds of pedestrians are built by men who have greasy spots on their overalls; the landlords have none. The man who sweats tailoring fine uniforms for those who occupy high posts in the army is unknown. It reminds me of a reception; it is not the cook or chef who is complimented, it is the host. A caterer told me that every time he saw a fine cake he thought of the perspiration of the man who had looked after the baking of that cake.

It seems to me, sir, that in times like these people express views which are not exactly those they hold in the bottom of their hearts. Because I speak like this I may be told that I am opposed to the education of youth, that I am opposed to a federal grant to aid technical education. I want to respect the constitution and the law. In the Sirois report I saw a lengthy memorandum about federal gifts to the provinces in aid of education. According to the British North America Act, which is considered by some of my hon. friends of the Cooperative Commonwealth Federation party to be an obstacle to progress, education is under the exclusive jurisdiction of the provinces. Why? The reason is obvious; it is that education needs an immediate rather than a remote control. I give every credit to the Minister of Labour (Mr. Mitchell), but how can he possibly supervise the education of young Canadian boys and girls throughout this country? It is hard for a provincial minister of education to do that within his own province; so how would it be possible for the minister to do it for all of Canada?

That is my second point. My third point is that the best help the Minister of Labour can give to youth in technical trades is to keep in those trades the young men who are doing well at the present time, making armaments, making munitions, making clothes for the soldiers, working on the farms, on the railways and in the railway shops. Not long ago the railways decided to make an agreement with the Department of National Defence, in virtue of which young men with experience in technical trades, who have filled positions requiring experience both on the railways and in the shops, could not have any further postponement of military service. Though they had years of experience as tradesmen and only a few months of experience as soldiers, they were told, "You are soldiers first. We will not ask you to continue at the trade in which you have acquired special skill. Go into the army." Well, sir, before voting money to encourage the training of young men in technical trades, I think first we should acknowledge the importance of those trades, and not give the cold shoulder to tradesmen and men in overalls. We should recognize officially that in war time these men do not help the country only by subscribing to war bonds; they help by their work, by their sweat, and by their activities in the various fields in which they are engaged. That is my point of view; and if this resolution is timely, there is no excuse whatever for not paying a special tribute of admiration to those men who work day and night in order to clothe the army, to arm those who are in it, to furnish them with munitions, food and transportation.

I remember very well that not long ago, following a suggestion by an old doctor friend of mine who is a member of parliament in Canberra that each school boy should have a glass of milk in class at midday, I asked why there was no subsidy for the purpose of giving that glass of milk to each schoolboy and schoolgirl in this country. I was told by one of my esteemed colleagues that the suggestion was out of order because that matter came under the jurisdiction of the provinces. It is most timely that we should see about the health of the youth who are studying the technical trades, and especially the health of the young boys and girls who are going to school, who are undernourished and who cannot work so well because they are hungry.

And, sir, there is something else also. Why is it impossible—

Mr. SPEAKER: Order; the debate has broadened far beyond what was ever anticipated, and I must call the attention of the house to the terms of the resolution. It states:

> That it is expedient to introduce a measure to amend the Technical Education Act to make available, for the purposes of the act, any portion of the unexpended appropriation during the period of five years succeeding the fiscal year ending March 31, 1944.

The minister in his opening statement referred to the fact that there is an unexpended appropriation now in their hands, and that this measure will have to be passed in order that that amount may be given to Manitoba.

The present discussion is going into the broad field of education, entirely beyond the provisions of the resolution, and I must ask the hon. member to confine himself to the terms of the resolution.

Mr. POULIOT: Yes, and what I said applies especially to the children of Manitoba.

Now, with all respect I was expressing my personal view about education. I shall act in accordance with the suggestion which has just come from the Chair. However, I hope Your Honour will have no objection to my making a few other remarks about technical education, although I am convinced that before considering this resolution we should consider other more pressing matters. I tell the house why I say that; I say it because at the present time there are many young boys in Manitoba, as well as in other provinces in Canada, who have had no technical training, or a technical training of only two or three months' duration. I have known many skilled tradesmen who can scarcely write their names; yet those men are experts at their own jobs. I am sure we could find many such men in the big industrial shops, not only in those where automobiles and trucks are made, but also in those shops from which guns, rifles and ammunition are being turned out. This is work calling for precision. Of course it is necessary for those who make calculation to have a degree of instruction sufficient to enable them to make their point.

Mr. MITCHELL: Mr. Speaker, I rise to a point of order. The hon. member comes from Quebec; this resolution deals with only one province. Every other province has taken up its allotment. This resolution only asks permission of the house to amend the present law so that it may be extended for another five years in order to enable Manitoba to take up its allotment. That is all that is before the house.

If we are to wander all over the lot and discuss the whole broad question of education, we could stay here for another year. I suggest that we stick to the terms of the resolution which asks the house to extend the act for another five years. All the other provinces have had their share of the $10,000,000, and we are merely asking that the provision be extended so that Manitoba may have its allotment.

Mr. POULIOT: Mr. Speaker, the point of order the minister has raised, if I understood him correctly, was this: He states that this affects Manitoba, and that no member outside that province can speak about it.

Mr. MITCHELL: Oh, no.

Mr. POULIOT: What I have said applies as much to Manitoba as to any other province. I have been talking about the technical trades, and I do not see why the minister would object to that. I have said that at times men without education are more skilled tradesmen than men with education—

An hon. MEMBER: Oh, no.

Mr. POULIOT:—in certain cases. For instance, what success would the governor of the Bank of Canada have in making shells? He is a great banker, I am told. But what would be his success, if he were working alongside a man who had been making shells for years? I am not condemning education. But what I say—and I insist upon it, just as much for Manitoba as for the Yukon, the maritime provinces, Quebec or anywhere else—is that it is not only education that counts in the technical trades. It is skill; it is experience.

The Minister of Labour is himself a tradesman, and has acquired experience as such. He will admit, I am sure, that his experience as a tradesman counts more than education. The education received respecting technical trades from tradesmen themselves is of great importance. The education I have received in agriculture has been from farmers with whom I live—and I know of what I speak. I do not snub them. I do not think there is any fence between the provinces, nor do I believe that because I come from Quebec—or if I came from Cape Breton—I should be forbidden by the Minister of Labour to speak about technical education in Manitoba or in British Columbia or the Yukon.

Speaking broadly about education, I say there should be no snobbery about it. Every member of parliament shall be the friend of the working man, the friend of labour. And not only that, in Manitoba, as anywhere, the teaching of education shall be supervised by those it may concern. I insist upon that, so that every bit of money spent on education shall serve its purpose. Let us have men who will be worthy of those who have gone before.

In England I was struck by what tradesmen in some families have been doing generation after generation. The young man whose father is a railwayman succeeds his father because he has learned to love that trade. He has been told, within his family circle, about the general rules pertaining to it and the way things should be done. These things interest him, and he expects to be able to succeed his father and continue to find work in the same trade. I would hope that in Canada we would have the same condition where tradesmen would be trained by their fathers. Nothing could be finer than that. That would

be my wish. I often regret that young men, the sons of labourers, are ashamed to be labouring men and try to get into the so-called liberal professions. There is more future for the labouring man in his own field than there is for those who belong to the liberal professions in this country, except perhaps chemists and civil engineers. Therefore, when education is considered in this house, we should be extremely careful because it is not the business of this government to touch it, and we must see to it that we do not infringe at all upon provincial rights. We must be very careful to respect them.

My last word, sir, will be this. I hope that there will be no divisions between the citizens of any parts of this country over what is for the common welfare of all, and while distinctions were necessarily made by the British North America Act with regard to the power to legislate, that is an entirely different matter from the common effort of all citizens of good will working together for the welfare of the whole country.

Mr. G. H. CASTLEDEN (Yorkton): Mr. Speaker, I am pleased to hear any hon. member from the province of Quebec speak in favour of improved educational systems. I was pleased this evening also to hear the leader of the Progressive Conservative party express some fine ideals and aims and objectives of education. But the outside leader of the party who wanders about the country has not quite such a good record in the matter of technical education, because for twenty years he was premier of that province which failed to take up its share of this $10,000,000 grant for technical education.

Mr. GRAYDON: I rise to a question of privilege, Mr. Speaker. If the hon. member for Yorkton would only acquaint himself with the facts he would find that the minister in charge of labour for the province of Manitoba for three years was a gentleman by the name of Farmer, a member of the Cooperative Commonwealth Federation party.

Mr. CASTLEDEN: Was not Mr. Bracken premier of that province for about twenty years? But perhaps we can excuse him because in those days he may have been a Liberal-Progressive or something else.

Canada has a long way to go in the field of education. It is too bad that higher education has to be considered in this country as a sort of monopoly of the rich. Another regrettable thing was our failure as a nation to provide those who had an education with an opportunity to make a living in the years from 1930 to 1939. Only three per cent of our students graduate from universities. Many of these had to leave this country and go elsewhere to receive a reward for their labours.

Very rapid changes are taking place in other countries in the educational field. If one wished to place his finger on one of the basic reasons why our great ally Russia is making such a splendid contribution in the winning of this war and saving democracy for the world to-day, he could point to what Russia has done in the field of education for the rank and file of her people. And we in the so-called advanced nations, if we wish to hold our place anywhere near the top of the scale of peoples, must awake. We must demand as a nation a very high standard of educational opportunity for every Canadian.

I believe that some fundamental changes are required in our curricula. I agree with the hon. member for Temiscouata (Mr. Pouliot) that certain people with technical education can do better work than those who have had an academic education.

There must also be greater progress made in work of helping the students who enter our schools to find out what their latent and inherent talents, abilities and skills are. Then we must provide them with an opportunity to use those skills and talents to the best possible advantage. Every person differs, of course, and what is an education for one is not suitable as an education for another. But each has capacities which must be developed, and our educational system in this country has failed to find within our people their respective talents and capacities. There are people who can take tremendous advantage of a technical education, and there are others to whom it would be worthless. There must be an opportunity provided throughout all our nation for every person who has ability and talents to discover and use them.

The second point I wish to make is that there must exist in the minds of those who are getting an education the thought that when they have completed their education and training an opportunity will exist for them. They must have a feeling of security; there must be freedom from fear. We watched the youth of our nation graduate from our schools and colleges in 1930 to 1939 and go into the ranks of the unemployed, and then into the bread-line asking for relief. That must never happen again.

Canada can never fulfill her destiny until every child knows what his or her capacities and abilities are and has an opportunity to use them, not entirely for his or her own

particular gain or to make it possible for him or her to take advantage of his or her fellowmen to exploit them, but their capacities and ability and training must be used in the light of service which he and she can perform for their fellowmen. It is time that Canada realized that one of the greatest natural resources of this country or that any nation can have is the brains and ability of its youth.

Mr. CRERAR: I rise to a point of order, Mr. Speaker. While the discussion of my hon. friend is very interesting I submit that it is not germane to the resolution which the house is considering. May I respectfully suggest that if such latitude is to be permitted, we may be here for days and days debating this simple resolution.

Mr. SPEAKER: I have already called attention to the terms of the resolution. I have been listening carefully to the hon. member, and while I do not think at the moment he is entirely irrelevant he is coming very close to it.

Mr. CASTLEDEN: Then may I close, Mr. Speaker, with this one very relevant remark. I support this bill wholeheartedly, and my only regret is that it is not another bill being introduced to make available $100,000,000 for education in Canada.

Mr. REID: Why not $200,000,000? Why limit it?

Mr. CASTLEDEN: You are on the government side. You introduce it. I cannot introduce a money bill.

Mr. REID: You are kind of cheap in suggesting only $100,000,000. Don't be a piker. One hundred million dollars forsooth!

Mr. CASTLEDEN: Make it $290,000,000, if you like. It is needed.

Mr. A. R. ADAMSON (York West): Mr. Speaker, I am not going to raise the ante, as somebody says, on the $100,000,000. I merely wish to point out the great urgency that exists to-day for technical education, and so that I may be in order, Mr. Speaker, I say that the urgency exists probably to a greater extent in Manitoba than in any other province. We have this problem to face, and it is a very real one. We have the immediate problem of training the section leaders who will be doing the development work in the immediate post-war period. That is a very important matter. Unless we have the trained technical men, and unless we train them now, we shall find ourselves when the war is over with a problem on our hands and no skilled workmen to cope with it. So far, some fifty or sixty thousand men have been discharged from our armed forces. When the war is over we shall be faced with the problem of employment for three-quarters of a million in the armed forces and, as the Minister of Munitions and Supply (Mr. Howe) said, eight hundred thousand directly employed in war industry. And that will be an immediate problem; it will not be something that will wait; it is of urgent and vital importance.

Mr. SPEAKER: I must call to the hon. member's attention that he is not in order in dealing on this debate with the general question of education. This resolution deals only with the unexpended portion of an amount of money which the government wishes to hand over to the province of Manitoba, with regard to technical education. The hon. member must confine himself to the terms of that resolution much more strictly than he has been doing.

Mr. ADAMSON: Mr. Speaker, I naturally bow to your ruling. But I wish to point out that practically nowhere are we going to be faced with this problem of technical education more than in the riding of the Minister of Mines and Resources (Mr. Crerar). In that riding are some of the greatest mineral deposits known in this country, and they will not be developed unless we train and prepare technically equipped prospectors, and train them now. This resolution speaks of Manitoba. This is a question which should have been brought to the attention of this government long ago. We found ourselves in 1941 with 107,000 people in the mining industry supporting a population of approximately 1,200,000. Less than five per cent of our production is derived from properties which have been discovered since 1930. If that does not indicate that we need technical men trained to do prospecting in the mining business, I do not know what it does mean. The position is nowhere more serious than in the province of Manitoba and in the district represented by the minister himself. I will not transgress, Mr. Speaker, since I see you objecting. I see the minister waiting for the passage of this resolution, and I sympathize with him, but I wish to reiterate that unless steps are taken, and taken now, to train technically the troops in our district depots, so that, when general demobilization takes place, we shall have a skilled group of technicians who can do their part in bringing about the discovery and development of the natural resources of this country, the end will be chaos. Here is our

one hope of preventing a depression, and technical training is the most important element in preventive action.

Mr. S. H. KNOWLES (Winnipeg North Centre): Manitoba has been mentioned so often this evening in the course of this debate that perhaps someone from that province should rise and say a few words. Perhaps, coming as I do from that province, it may not be so difficult for me to stay in order.

As I understand it, the money which is to be made available for Manitoba if we pass this bill before the 31st of March—

Mr. MACKENZIE (Vancouver Centre): It does not look like it.

Mr. KNOWLES: —is for the purpose of enabling that province to carry on with the kind of technical education which was originally provided by the act many years ago. I express some shame that my province failed to make use of this money earlier, as it should have done. But I rose in my place principally to say that I happen to know that very good use is being made at the present time of money provided by this grant. Perhaps in passing I should say to the leader of the opposition (Mr. Graydon) that this matter did not come, at any time during the period that Mr. Farmer was minister of labour of Manitoba, under that department. As a matter of fact, it was shuttled between the department of education, headed by the Hon. Ivan Schultz, and the department of public works and labour, now under the leadership of the Hon. Errick F. Willis, who is the leader of the Progressive Conservative group in that province and was the leader of the Conservative party when Mr. Bracken was on the other side.

Mr. GRAYDON: Farmer cannot escape responsibility as easily as that.

Mr. SPEAKER: Order.

Mr. KNOWLES: As I was saying before the interruption, lately it has been discovered that this money is available, and I happen to know that good use is being made of it. I have had occasion to become acquainted with the work which in Manitoba comes under the direction of Mr. R. J. Johns. If my information is correct, his work comes under two or three different votes. Some of it is strictly technical education in the sense of training people to do war jobs, and some of it is education of the technical kind that is provided for students as part of their regular high school education. Last fall, during the course of a visit to the city of Brandon, I saw the work being done there under the direction of Mr. Johns, and more particularly under the supervision of Mr. K. A. McKillop, who was in charge of this work at one of the high schools in Brandon. If it were not for the desire of the house to hasten the passage of this resolution, I am sure I could tell a story which would interest hon. members as to the kind of work being done there in an endeavour, as a part of the education of high school pupils, to make them acquainted with electrical work, sheet metal work, cooking, sewing, weaving, and a number of things of that kind. An interesting experiment has been developed there in terms of self-government and of cooperation which really did my heart good. I am only sorry that it has taken so long for the province of Manitoba to get started on this kind of thing. I wish at the same time to endorse the general remarks on education which have been made by my colleagues of this group. I am satisfied that this money, now that these progressive people whom I have named are on the job, will be put to good use in Manitoba, and I hope we shall forgive that province for having failed to take it up before this, and that we shall pass this legislation to-night.

Mr. A. J. BROOKS (Royal): I am not going to take very much time, but it seems to me that the question of education should not be hurried through this house. The debate to-night indicates the interest which hon. members are taking, and I am sure they reflect the interest of the people back in their constituencies. I do not think the discussion should be wholly confined to the matter in which the province of Manitoba is concerned. As I understand the resolution, it is to amend the Technical Education Act, an act passed in 1919 which affected every province, and I think every province is interested in this amendment. As a matter of fact, in my own province of New Brunswick after their portion of the $10,000,000 was expended they came to Ottawa time and time again, as did every other province, asking that provision might be made whereby they would receive more money to carry on technical education which had commenced under the act. Frankly, I think the dominion government should have assisted the provinces in furthering technical education.

It is not necessary for me to point out the needs of technical education. I have heard hon. members speak to-night, and there is not a member of this house, and there are very few public men or women in the dominion who do not realize that the system of education throughout the country needs a thorough overhauling. Associated with the military

forces as I am, I have had it forcibly brought to my attention. It would surprise hon. members if they knew of the thousands of young men across Canada who, on account of lack of education had to be turned down for military purposes.

These are things that make the people think, and it is one reason why the people to-day are not only looking to their provinces for better education acts, but hoping that the dominion will see that something is done to make sure that our young men are better educated. That, I believe, indicates the need and I hope that, while education is a matter for provincial jurisdiction, the dominion will realize the great asset which Canada is losing when it fails to see that our youth has suitable education.

I was surprised this afternoon to hear the hon. member for Queens-Lunenburg (Mr. Kinley) say that he was quite satisfied with the industry we had received in the maritime provinces.

Mr. KINLEY: I did not say any such thing.

Mr. BROOKS: I am not going to transgress the rules, Mr. Speaker, but I would point out that industry, as far as our province or any other for that matter is concerned, requires men who are educated along technical lines. One reason why we have not had more men educated technically in New Brunswick is that we have not had the industries for which to train them. If we were training young men in Nova Scotia or New Brunswick to-day in our technical schools in any numbers, they would not be able to find employment in those provinces but would have to go to other parts of Canada or to the United States. There is no question about that.

Mr. SPEAKER: Order.

Mr. KINLEY: May I point out, Mr. Speaker—

Mr. SPEAKER: The hon. member for Royal is out of order. He must confine himself to the terms of the resolution which does not deal with the question of unemployment in New Brunswick.

Mr. BROOKS: I bow to your ruling, Mr. Speaker. I was going to say that technical education and industry should go hand in hand, but I will not transgress your ruling. My point is, however, that if we are to have our young men educated as they should be, the poorer provinces, which in the past have been robbed because they have not had industry, will have to receive support from the dominion government. Therefore I should like to see this act amended not merely to assist Manitoba so that that province may spend its portion, but to enable every province to carry on education technically in connection with farming or any other industry that needs it.

Mr. E. G. HANSELL (Macleod): We in this corner have not spoken to the resolution for the reason that we did not want to traverse the universe of education in talking to it. The resolution is very simple. As I understand it, the purpose is to extend the privilege to Manitoba to accept funds which were available to that province within a certain specified time. Because they did not accept those funds within that time a resolution was introduced to extend the time. That is my understanding of the matter.

I recall not so long ago when the premier of Manitoba was the champion of what was known as the Sirois report which, if it had been adopted, would have given Manitoba some financial advantage. I mention that only because, since he championed that report in order to get that financial advantage, which of course was something that was within his power and his right, it should be observed that we have here a sum of money which the province of Manitoba did not take advantage of. I do not speak in these terms to show any meanness or anything of that kind. I think the fund should be made available to them, but at the same time the minister must be prepared to answer questions in committee and to indicate why these funds were not used within that specified time.

I would make another observation because I believe that in this resolution there is involved a principle which may or may not be a good one. That principle is that when a province does not take advantage of that which is offered to it within a specified time, then the principle of the resolution makes the offer still good. I wonder now if that principle would go for the provinces in any other line. Suppose it had been two or three other provinces and not Manitoba alone; would the same thing have happened? I fancy it would. We will give the minister and the government credit for being fair.

Mr. MITCHELL: One extension was made for the province from which my hon. friend comes.

Mr. HANSELL: I am glad to hear that; nevertheless I am dealing with that one principle. If the principle is true in this case, in respect of technological education, it should be true in all cases, whether it be relief schemes or anything else.

An hon. MEMBER: Or housing.

Mr. HANSELL: Yes, housing or anything else. I say that because we may have an opportunity at some time in the future of reminding the government that here they accepted a principle, whereas perhaps later on they will reject the same principle.

There is one other observation I would make and it is this. I appreciate what the hon. member who preceded me (Mr. Brooks) has said with regard to giving aid to the provinces for educational purposes. I am in favour of that, provided there are no strings whatsoever attached to the aid given. Education is a matter that comes within provincial autonomy and, while I am not voicing the view of my group, since I have not discussed the question with them, personally I am against any type of centralization of power or anything else, and centralization of education is just as dangerous as centralization of anything else. I am against any interference by the federal government with those things which are related to provincial autonomy, and education is one of them. With these observations, Mr. Speaker, I am willing to support the bill.

Mr. T. C. DOUGLAS (Weyburn): I do not wish to hold up this resolution. I know the minister wants to get it through. I have only one observation to make, namely, that while this resolution precedes the bill to allow the province of Manitoba to use up the remainder of its grant, nevertheless it does open up the whole question of technical education. While I do not wish to discuss the broad aspect of technical education I should like to say that instead of this measure I should like to have seen the government bring down a general technical education bill which would have provided Manitoba with the $147,000, plus a grant for each of the provinces to begin the training of men who are already coming out of the services and to provide training for men and women who are being moved out of war industries as we find that we have sufficient of certain war materials.

I am hoping that if the minister has nothing to say about this matter now he will have something to say about it before the session is very much older. A few weeks ago, when the estimates of the Minister of National Defence for Air (Mr. Power) were before the house, I made some proposals in which I asked that the government should consider doing two things which they should do on a large scale, namely, set up the necessary facilities for training large numbers of men, and then use those men in socially useful projects such as house building, rural electrification, and the opening up of new industries such as synthetics and plastics. I am not going to discuss that—

Mr. SPEAKER: I must again call the attention of the house to the resolution. This resolution precedes a bill to make available, for the purposes of the act, any portion of the unexpended appropriation during the period of five years succeeding the fiscal year ending March 31, 1944. The hon. member is permitted, of course, to make any argument he wishes dealing with that particular subject; but he cannot deal with the whole question of technical education or any other issue in that connection. The resolution simply deals with the unexpended portion of money which is provided for in the bill that will be introduced. I have already given considerable latitude. I must ask the hon. members to confine themselves solely to the terms of the resolution, and I ask the hon. member to do that.

Mr. DOUGLAS (Weyburn): I must point out to Your Honour that this is a resolution preceding the bill to amend the Technical Education Act. Under the resolution I have the right to discuss the general principle underlying the act which we are to amend. As a matter of fact, the bill opens up the whole act and would allow me to discuss the act and how the act would be affected by this amendment. I do not wish to do that, Mr. Speaker. All I want to point out is that when I was talking about technical education the other day the Minister of Pensions and National Health (Mr. Mackenzie) interrupted me to say that the government was now doing that for thousands of men. I asked him if he would mind outlining to the committee just what plans the government had to train, let us say, half a million of three quarters of a million men who will be coming back from the war services and who will be coming out of war industry. The minister said, "I shall be glad to do that at the earliest opportunity."

Mr. MACKENZIE (Vancouver Centre): No. My hon. friend is misquoting me again. If you read *Hansard* you will find that I said, "At the proper time". My memory is better than his.

Mr. SPEAKER: The hon. member is now discussing the policy of the government which has no relevancy to the resolution that is before the house.

Mr. DOUGLAS (Weyburn): I feel it has everything to do with it. I am suggesting—

Mr. SPEAKER: Order.

Mr. DOUGLAS (Weyburn): I am suggesting, now that the government has brought down the resolution—

Mr. MACKENZIE (Vancouver Centre): Order.

Mr. DOUGLAS (Weyburn): I think the Speaker will be able to keep order without the Minister of Pensions and National Health making a lot of noises.

Mr. MACKENZIE (Vancouver Centre): My hon. friend is disobeying the Speaker's ruling.

Mr. DOUGLAS (Weyburn): No, I am not. If I am, the Speaker will bring me to order. I do not require the Minister of Pensions and National Health to tell me what to do. I can take care of myself much better than the minister can take care of himself or me.

Mr. SPEAKER: Order.

Mr. GRAYDON: It is like the blind leading the blind.

Mr. DOUGLAS (Weyburn): I could have said all I had to say in three minutes if I had been left alone. I rose for the purpose of saying that I hope some time during the present session, and very soon, that instead of a measure merely to pay out the remainder of the grant to Manitoba, the government will bring down a general measure of technical education for the post-war period. It is not enough merely to pay out the remainder of the grant which is now twenty-five years old; the government ought in the very near future to bring down legislation to cover the whole field of technical education, because men are already coming back from overseas and men and women coming out of war factories, and the programme of technical education should be under way now to deal with the post-war period before it is too late.

Mr. F. D. SHAW (Red Deer): While I agree wholeheartedly with the view of the previous speaker (Mr. Douglas, Weyburn) with respect to the effect which this resolution has upon the act itself, I shall not endeavour to go beyond the limitations which you, sir, have set.

We realize that this resolution has been brought forward with the express purpose of making available to Manitoba certain moneys which it has not used heretofore. I hope that Manitoba will recognize in the action which parliament is taking in this regard the fact that in that province, as a consequence of war, many establishments have been set up which, following their usefulness for war purposes, may well be utilized in connection with technical education. Moreover, I hope that Manitoba will recognize that as a result of the specialized type of training which we are giving to-day to many of our service personnel, we shall before very long have an abundance of fully qualified instructors to carry on technical educational work in that province. What I say of Manitoba in that regard applies equally well to the other Canadian provinces.

I trust that Manitoba will recognize, together with all the other provinces, that in order to maintain fully qualified and competent technical instructors it must be prepared to recognize the importance of that type of work and to pay salaries which will induce these people to take a more intense interest in that type of instruction work and, therefore, add greatly to technical education in that province.

There is a good deal that I could say, but let me just add this: Not only must we concentrate upon providing technical education for the purpose of enabling young people to earn a living, but we must so educate them as to enable them to make profitable use of their spare time. I think we have almost entirely overlooked that in connection with our techincal education in the past. I agree with this resolution wholeheartedly, Mr. Speaker, as do the other members of this group.

Mr. J. S. ROY (Gaspe): Mr. Speaker, the purpose of this resolution is to make available to the province of Manitoba money provided by the federal government to encourage technical education, which offer Manitoba did not accept in years gone by. I shall certainly support the principle of this resolution, because I think it is a good thing to help technical education throughout Canada.

There is another reason why I am supporting this resolution. It is that it will create a precedent which may be very beneficial to my own province of Quebec, where the same situation exists in connection with old age pensions. For nearly ten years sums were provided by the federal government to help pay the cost of old age pensions throughout Canada, but the province of Quebec did not take advantage of that offer. Perhaps, following this precedent, Quebec may be able to ask this government for the share of the money provided for all provinces for that purpose which it did not claim in previous years, and that, of course, would be of great benefit to the province of Quebec.

Hon. HUMPHREY MITCHELL (Minister of Labour): After listening to many hon. members this evening, one would almost wonder whether we had any educational system at all in this country. Let me say

that I entirely agree with the leader of the opposition (Mr. Graydon) and the other hon. members who spoke in regard to jurisdiction. I believe the strength of any nation the size of this dominion is predicated upon a federal constitution under which such things as education come within the jurisdiction of the provinces, and I do not believe any political party in this country has a first mortgage on the will to see to it that our boys and girls are properly educated.

Some hon. MEMBERS: Order.

Mr. MITCHELL: That is all right; I am going to get in my answer. My hon. friend the leader of the opposition made a fairly good propaganda speech earlier this evening. I wish to say very frankly that in my judgment those who framed the technical education legislation in this country planned better than they knew. Had it not been for the foundation laid by the government in 1919, following the action taken some years previously in setting up a royal commission to study the question, we would not have had an industrial structure that could have accomplished what has been done during the present war. I should like to pay tribute to the provinces. The dominion government has had complete cooperation from every province, from the Atlantic to the Pacific, in the war training programme undertaken since the beginning of the war. To listen to some hon. members, one would think almost no money had been spent on this sort of training in recent years. Let me tell hon. members that the federal government, in conjunction with the provinces, have spent over $18,000,000 since war broke out and have trained over 300,000 people in the technical and plant schools of this country.

Mr. DOUGLAS (Weyburn): Mr. Speaker, I rise to a point of order. I wanted to discuss technical education and the need for technical training both during and after the war. You, Mr. Speaker, decided that I should not do so under this resolution. Now the minister is proceeding to give the house a report on the training that has been undertaken by the government during the war and the preparation that is being made for the post-war period.

Mr. MITCHELL: There is a time and place for that, but I should like to say to some hon. members—

Mr. DOUGLAS (Weyburn): I should like a ruling, Mr. Speaker, on the point of order I have raised. If the minister wishes to speak to the point of order, that is all right.

Mr. SPEAKER: The point of order raised has been dealt with by the Chair several times to-night. This resolution deals with the unexpended portion of an appropriation, and I would ask all hon. members to adhere to the terms of the resolution.

Mr. MITCHELL: It has been said that this government has no policy in regard to education, or something to that effect.

Mr. DOUGLAS (Weyburn): That is not dealt with in this resolution.

Mr. MITCHELL: May I remind the hon. member for Weyburn (Mr. Douglas) that two sessions ago we passed a bill concerning vocational education which had a much wider coverage than the resolution we are discussing this evening. This question has been raised, and I think these things should be answered. It has been stated that in this country education is a monopoly of the rich. I disagree with that statement. That is the sort of thing that inflames public opinion from one end of this country to the other. I suggest to the hon. member for Yorkton that it would be just too bad for the Cooperative Commonwealth Federation party if education had been the monopoly of the rich, for I understand that the leader of his party is a university graduate, and a good scholar too. I do not think a statement like the one I have mentioned is warranted, particularly when one looks around the benches of this House of Commons.

I just wanted to answer those points while I was on my feet, Mr. Speaker; I am not going to detain the house longer. I should have been glad to give an historical review of technical education in this country, in which I have taken some interest and in the establishment of which I have played some small part. I hope this measure will pass quickly, for the province of Manitoba needs the money. I would say to the hon. member for Gaspe (Mr. Roy) that his province availed itself of its full quota under the legislation, and the only province that still has to make use of its allocation is Manitoba. I hope hon. members will grant the request of that province with due expedition this evening.

Mr. KNOWLES: Will the minister answer the question as to why—

Mr. SPEAKER: In committee.

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

Mr. KNOWLES: Will the minister explain, if he can, why Manitoba did not use its portion of this money; and while he is answering that will he say whether he has any assurance that Manitoba will now take this money and make good use of it?

Mr. MITCHELL: I am sorry I cannot speak for the province. I think my hon. friend had better ask Manitoba that question.

Mr. STIRLING: Can the minister place on record the division of the $10,000,000 as between the provinces, and can he give the committee an idea of the rapidity with which the provinces claimed their portion of it, so that we may have an idea as to how popular this training was province by province?

Mr. MITCHELL: I have it all before me; it covers a period of twenty-five years, and probably it would take ten minutes to read, but I think it would be all to the good to have it on record, and with the permission of the committee I should be glad to do so.

Mr. STIRLING: That would be satisfactory.

Mr. DOUGLAS (Weyburn): I think the hon. member for Winnipeg North Centre asked the minister a perfectly civil question.

Mr. MITCHELL: I thought I gave a civil answer.

Mr. DOUGLAS (Weyburn): The answer was civil, but no one expected the minister to speak for the province of Manitoba. I think the committee has a perfect right to know that the province of Manitoba asked that this unexpended portion be revoted, and surely they must have given the minister some asssurance that they intend to make good and proper use of it.

Mr. MITCHELL: The only request we received was that they anticipated they might spend it. That is the usual request one gets under such circumstances.

Mr. JOHNSTON (Bow River): Is there not some way in which the federal government can check up on the provinces, to see whether this money is being properly spent? After all, when the federal government grants money it should have some means of checking up to see whether or not it is being properly spent. In respect of Manitoba, has any check been made to see whether they have made a proper expenditure?

Mr. MITCHELL: I can assure my hon. friend that the federal government spends no money without a proper check. The legislation provides for the manner in which the money shall be spent, and I touched upon that point this evening. If my hon. friend would read the act I think he would find that every precaution is taken that the money shall be spent properly in the various provinces.

Resolution reported, read the second time and concurred in. Mr. Mitchell thereupon moved for leave to introduce bill No. 41, to amend the Technical Education Act.

Motion agreed to, bill read the first and second times, and the house went into committee thereon, Mr. Bradette in the chair.

Section 1 agreed to.

On section 2—disposition of unexpended balances.

Mr. GRAYDON: I have not had an opportunity to check the phraseology of the bill with previous bills passed with respect to this subject. Can the minister assure the committee that this bill is in exactly the same form as previous bills, with the exception of the years involved?

Mr. MITCHELL: I cannot answer that: I assume it is the same. The same principle is involved.

Mr. MACKENZIE (Vancouver Centre): The explanatory note indicates that.

Mr. MITCHELL: There is no explanation on the other page.

Mr. POULIOT: I wonder how this section could apply only to Manitoba, because Manitoba is not mentioned in the bill?

Mr. MITCHELL: I do not think it need be mentioned. The only unexpended balance in the $10,000,000 affects Manitoba, and it does not affect any other province. The amendment stipulates that power shall be given to spend that money.

Mr. JOHNSTON (Bow River): I think we should know how much of this $10,000,000 was spent, and how much we are still to appropriate.

Mr. STIRLING: The minister has told us.

Mr. MITCHELL: When we were in the resolution stage the hon. member for Yale asked the same question.

Mr. STIRLING: No, not the same.

Mr. MITCHELL: He asked a somewhat similar question, and at that time I volunteered to put the complete data on record. I could read it, but it would take fifteen minutes to do so. However, if the hon. member just wishes to know the unexpended balance for Manitoba, I can say to him that it is $147,430.42.

Mr. GILLIS: I think even if it takes ten minutes for the minister to read it, it should be read.

Some hon. MEMBERS: Oh, oh.

Mr. GILLIS: Some of those smart fellows who know all about it—and who perhaps do not actually know any more about it than we do—laugh at that suggestion. Personally, I should like to know if my figuring of the problem is correct. Twenty-five years ago the federal government passed an act in which it made $10,000,000 available. That was for the development of technical education in this country. Most of my hon. friends must accept their share of responsibility for the administration of that act. Well, there is no wonder technical education has been neglected, because we find that Manitoba did not use even the small portion made available to her. I say that before this amendment is accepted, and we give effect to the same old act—one which certainly did not serve a very useful purpose in the past—the committee should take at least ten minutes, and listen to the Minister of Labour tell most members something they know very little about—although they are not big enough to admit it. I should like to hear the minister put the whole thing on record.

Mr. MITCHELL: If the house wishes, I am prepared to put it on the record. It is as follows:

TECHNICAL EDUCATION ACT

Statement showing disposition of funds under the Technical Education Act as at the end of November, 1943

	Amount available during period of act	Amounts paid by federal government as at Nov. 30, 1943	Balance
Prince Edward Island	$ 198,187 86	$ 198,187 86	.....
Nova Scotia	662,113 94	662,113 94	.....
New Brunswick	512,461 28	512,461 28	.....
Quebec	2,569,655 53	2,569,655 53	.....
Ontario	3,178,608 97	3,178,608 97	.....
Manitoba	719,746 56	572,316 14	147,430 42
Saskatchewan	847,620 91	847,620 91	.....
Alberta	678,524 40	678,524 40	.....
British Columbia	633,080 55	633,080 55	.....
	$10,000,000 00	$9,852,569 58	$147,430 42

The following table indicates the amount of money paid to the various provinces during the ten-year period of the Act:

Summary of Amounts Available and Amounts Paid to Provinces, 1919 to 1929, Under Technical Education Act, 1919

Province	Amounts available to provinces during period of act	Grants paid to provinces, ten years	1919-20	1920-21	1921-22	1922-23	1923-24
P.E.I.	$ 198,187 86	$ 71,665 79	$	$ 2,700 65	$ 7,241 73	$ 5,858 46	$ 6,550 56
N.S.	662,113 94	299,046 05	.....	24,193 32	32,758 01	33,166 00	35,501 95
N.B.	512,461 28	405,692 68	3,396 66	10,408 73	22,160 79	17,476 06	20,382 00
Que.	2,569,655 53	2,444,353 18	36,500 00	167,886 85	114,651 04	128,182 27	328,682 25
Ont.	3,178,608 97	3,178,608 97	106,297 63	294,111 73	378,174 84	314,206 97	347,636 30
Man.	719,746 56	191,406 49	2,648 49	7,268 00	21,173 94	25,121 14	20,092 49
Sask.	847,620 91	152,565 92	1,142 00	3,534 28	13,665 50	18,263 84	18,397 18
Alta.	678,524 40	656,744 58	17,107 90	41,438 01	82,606 18	71,019 91	57,613 63
B.C.	633,080 55	564,516 82	19,407 81	29,133 86	47,904 04	34,932 38	53,535 26
Totals	$10,000,000 00	$7,964,600 48	$186,500 49	$580,675 43	$720,336 07	$648,227 03	$888,391 62

Province	1924-25	1925-26	1926-27	1927-28	1928-29
P. E. Island	$ 1,950 76	$ 7,254 66	$ 7,757 33	$ 11,981 85	$ 20,369 79
Nova Scotia	34,623 67	30,999 96	31,494 87	29,224 77	47,083 50
New Brunswick	43,040 51	93,874 50	76,208 59	70,107 03	48,637 81
Quebec	263,399 70	299,143 78	403,944 35	329,072 14	372,890 80
Ontario	347,636 30	347,636 30	347,636 30	347,636 30	347,636 30
Manitoba	19,500 37	19,488 77	20,056 34	27,529 51	28,527 44
Saskatchewan	17,249 37	20,083 89	18,021 83	17,048 13	25,159 90
Alberta	62,215 61	72,731 78	85,789 16	74,000 10	92,222 30
British Columbia	40,860 48	53,123 05	56,627 03	59,355 49	169,637 42
Totals	$ 830,476 77	$ 944,336 69	$1,047,535 80	$ 965,955 32	$1,152,165 26

As will be noted from the foregoing table, the total payments from the Technical Education fund to the provinces during the ten-year period amounted to $7,964,600.48, leaving a balance of $2,035,399.00 remaining unexpended, which amount was carried forward by the extension act of 1929 and made available for a period of five years among the provinces which had not received their entire allotment.

During this five-year extension period the following provinces exhausted their respective allotments: Prince Edward Island, New Brunswick, Quebec, Alberta and British Columbia, leaving still three provinces with balances to their credit, namely, Nova Scotia, Manitoba and Saskatchewan. The following statement sets out a summary of the amounts available at the 1st April, 1929, by provinces, and the grants to the eight provinces during the five-year period by fiscal years.

Summary of Amounts Available and Amounts Paid to Provinces under 1929 Extension to Technical Education Act of 1919 (to March 31, 1934)

Province	Amounts available to provinces 1929-34	Grants paid to provinces to Mar. 31, 1934, under extension	Paid in 1929-30	Paid in 1930-31	Paid in 1931-32	Paid in 1932-33	Paid in 1933-34
P.E.I. ...	$ 126,522 07	$ 126,522 07	$ 22,117 30	$ 30,790 34	$ 31,898 89	$ 29,370 71	$ 12,344 83
N.S.	363,067 89	242,214 89	21,525 08	73,669 61	48,699 87	50,628 81	47,691 52
N.B.	106,768 60	106,768 60	51,951 21	50,025 71	4,791 68	.....	.....
Que.	125,302 35	125,302 35	125,302 35	.....	.....	.....	.....
Man.	528,340 07	176,884 81	41,541 51	38,621 44	27,488 24	46,169 12	23,064 50
Sask.	695,054 99	550,428 89	60,505 89	198,289 95	170,094 89	75,567 61	45,970 55
Alta.	21,779 82	21,779 82	21,779 82	.....	.....	.....	.....
B.C.	68,563 73	68,563 73	68,563 73	.....	.....	.....	.....
Totals..	$ 2,035,399 52	$1,418,465 16	$413,286 89	$391,397 05	$282,973 57	$201,736 25	$129,071 40

The following recapitulation shows the disposition of funds during the fifteen-year period, ending March 31, 1934.

It will be noted from this statement that the total payments to the provinces during the fifteen-year period amounted to $9,383,065.64, leaving a balance of $616,934.36. As there still remained available to the provinces of Nova Scotia, Manitoba and Saskatchewan $616,934.36 and as these provinces were anxious to avail themselves of these benefits a bill to extend the life of the act for a further five years from April 1, 1934, was introduced and passed by parliament. (Chap. 9, 24-25 Geo. V).

	Amounts available during 15-year period ending March 31, 1934	Amounts paid during 15-year period to March 31, 1934	Balance
Prince Edward Island	$ 198,187 86	$ 198,187 86	.....
Nova Scotia	662,113 94	541,260 94	$120,853 00
New Brunswick	512,461 28	512,461 28	.....
Quebec	2,569,655 53	2,569,655 53	.....
Ontario	3,178,608 97	3,178,608 97	.....
Manitoba	719,746 56	368,291 30	351,455 26
Saskatchewan	847,620 91	702,994 81	144,626 10
Alberta	678,524 40	678,524 40	.....
British Columbia	633,080 55	633,080 55	.....
	$10,000,000 00	$9,383,065 64	$616,934 36

The next statement shows by provinces the amounts available on the 1st April, 1934, and the amounts paid up to March 31, 1939.

Summary of Amounts Available and Amounts Paid to Provinces Under 1934 Extension to Technical Education Act of 1919

Province	Amounts available to provinces 1934-39	Grants paid to provinces to March 31, 1939, under extension	Paid in 1934-35	Paid in 1935-36	Paid in 1936-37	Paid in 1937-38	Paid in 1938-39
Nova Scotia	$120,853 00	$120,853 00	$39,615 64	$48,765 99	$32,471 37	—	—
Manitoba ..	351,455 26	76,232 13	9,430 97	2,654 96	22,216 54	$14,813 56	$27,116 10
Saskatchewan	144,626 10	144,626 10	41,673 38	47,363 09	21,533 73	34,055 90	—
	$616,934 36	$341,711 23	$90,719 99	$98,784 04	$76,221 64	$48,869 46	$27,116 10

The followng statement shows amount available to Province of Manitoba on 1st April, 1939, and the amounts paid up to November 30, 1943.

Summary of Amounts Available and Amounts Paid to Provinces Under 1939 Extension to Technical Education Act of 1919. (To Nov. 30, 1943)

Province	Amounts available to provinces 1939-44	Grants paid to provinces to Nov. 30, 1943, under extension	Paid in 1939-40	Paid in 1940-41	Paid in 1941-42	Paid in 1942-43	Paid in 1943-44 to Nov. 30, 1943
Manitoba ..	$275,223 13	$127,792 71	$30,732 70	$18,340 82	$40,727 15	$18,703 59	$19,288 45

Mr. CASTLEDEN: In what year did Saskatchewan receive its $800,000?

Mr. MITCHELL: In 1934 Saskatchewan had a balance of $134,000. That has been used up since then.

Mr. POULIOT: Mr. Chairman, I bring to the attention of the committee the fact that there is something wrong with the printing of the bill. When a section is substituted for another section, and only a few words are changed, those words should be in italics in the bill, so that the members may see the change made. Section 8 of the act states:

Any portion of the ten million dollars appropriated under the act which may remain unexpended at the expiration of the fiscal year one thousand nine hundred and thirty-nine, whether previously carried forward or not, shall be carried forward and remain available according to its apportionments for the purposes of this act during any one or more of the five succeeding fiscal years, and no portion of the said ten million dollars shall be paid to any province after the thirty-fist day of March, one thousand nine hundred and forty-four.

As I say, section 8 of the act at present reads:

Any portion of the ten million dollars appropriated under the act which may remain unexpended at the expiration of the fiscal year one thousand nine hundred and thirty-nine. . . .

That is five years ago. We are to revive an amount that was spent five years ago. Why not make a grant in the usual fashion or have a new bill? The present act has almost expired, and now on the 24th of March, just one week before the expiration of the last one of the five years after 1939, the minister brings in this legislation. The minister understands the situation very well, and he should give instructions to the legal officers of his department that labour legislation be drafted otherwise; it must be clear. In order to perpetuate the grant to one particular province, the minister tries to clean up the rusty wheels of past legislation to make it work in a fashion that is quite obsolete. I am not objecting because I complain of the principle of the legislation; what I complain about is bad legislation. It is enough to have rottenly drafted orders passed by dollar a year men. Let us not follow their example. The only thing I ask is that we shall have clear legislation, legislation that reaches its objective, legislation that can be understood by a man who is not a lawyer but who will have to deal with it.

Section agreed to.

Bill reported, read the third time and passed.

EXCHEQUER COURT ACT

AMENDMENT TO PROVIDE FOR APPOINTMENT OF THIRD JUDGE

Hon. L. S. ST. LAURENT (Minister of Justice) moved the second reading of bill No. 35, to amend the Exchequer Court Act.

Mr. GORDON GRAYDON (Leader of the Opposition): Mr. Speaker, before this bill is read a second time I have one or two observations to make.

First of all, I should like to bring to the minister's attention the situation in connection with the Exchequer Court of Canada. At the present time I think there will be few who will disagree with the proposal in this bill to increase the membership of the court. I am hopeful that the minister, when he closes the debate on the second reading or during the committee stage, will indicate to the house whether there is not more behind the passing of this legislation perhaps than appears on the surface. I wish to raise my voice to-night in protest against what I think is fairly close to what the public believe is almost a national disgrace. I refer to a certain type of legislation that sometimes finds its way into the Senate and House of Commons. I refer to the time-honoured subject of divorce. I am not going to deal with it in any detail to-night. Suggestions have been made from time to time seeking to rid the two chambers of parliament of the scourge of having to deal with this type of legislation from year to year. I think most hon. members are agreed that if there is some sensible, sane way of having divorce dealt

with other than by a private bill in parliament, it is our duty and bounden obligation to find that better means and method.

It seems to me that the best method would be to refer the question of divorce to the Exchequer Court of Canada. That has been suggested already by my colleague, the hon. member for York-Sunbury (Mr. Hanson), at a previous stage of this session. I repeat, with all the emphasis at my command, that I am hopeful that the government will delay no longer with respect to this matter, because not only is this house but, I suggest, the other place, too, sick and tired, if I may use an expression of the street, of dealing with divorce legislation in parliament. There is no justification, to my way of thinking, for continuing the present situation any longer. Perhaps this increase in the membership of the exchequer court is proposed for the reason that the court may deal with this very subject. I hope that the minister will give due consideration to that suggestion and that an end will speedily be put to parliament having to deal with this type of legislation. I think most decent people who are sent here by their constituents rebel against the hearing of evidence and all that is involved in this type of legislation. That is all I shall say at the moment, but there is so much to be said that perhaps on some other occasion, when the government sees fit, the matter may be further discussed.

There is a second point I wish to raise in the brief observations I have to make, namely, with reference to the way in which the exchequer court works. I can quite see that the minister may have been forced into the position of proposing an increase in the membership of the court largely because of the situation which has grown up in the court wherein there are delays with respect to legislation and the delivery of judgment. I do not want to make any criticism of those who are operating under the present system. I think that would be grossly unfair. I should not like any member of the house or any member of the public to think I was reflecting in any way upon any member of the exchequer court. What I have to say is with respect to the system, for which the government must, I think, take a heavy responsibility. I am told that there are many cases which have been argued and in which judgment has been outstanding for over a year. I do not know how many, but I am informed that they run into much larger numbers than is good for the general benefit and welfare of litigants before the court.

Further, for some reason which does not seem to me a very good one, the president of the exchequer court has been required to sit as an ad hoc judge in the supreme court, leaving only a puisne judge to do the work of the exchequer court. The whole matter is in a position which has become a sort of bedlam as far as litigants and the general set-up are concerned. It is so serious that I deem it my duty in the interests of justice to bring it before parliament. Responsibility does not rest upon the judiciary but upon the government which permitted this situation to arise and to continue.

I also draw to the minister's attention that, because of accidents in which are involved members of the armed forces and certain jurisdictional questions, the exchequer court not infrequently has to deal with automobile damage cases, and that in some actions witnesses are brought from the far ends of the country at heavy expense to the parties. In addition to these matters, the congestion of business has put the court in an obviously unsatisfactory position. I should like to know why it is necessary to attach the president of the exchequer court to the supreme court as an ad hoc judge.

Mr. ST. LAURENT: I think it has happened once.

Mr. GRAYDON: The minister says he thinks it has happened once. The information I have is that it has happened more than once, but if the minister is definite upon the point I should not like to challenge his statement.

Mr. ST. LAURENT: I do not think it has happened more than once in the last couple of years. I was informed by the president of the exchequer court that he had sat recently as ad hoc judge in the supreme court, but he mentioned it as being the first occasion on which it had happened since he became president of the exchequer court.

Mr. GRAYDON: I am glad that the minister has given that explanation, but may I point out that, in the face of so many undelivered judgments, this movement occurred at a time of exceptional congestion in the exchequer court, and I hope that it will not be repeated. The fact that the judge was called in on only one occasion does not dispose of the question of how long the particular sittings occupied in which he was concerned.

I do not wish to take up any more time on this matter, but I would stress the point of expense and inconvenience imposed on litigants who have to come from all parts of

Canada on cases connected with automobile damages. It has been drawn to my attention from time to time that the expenses involved in such proceedings may amount to more than the whole damage claim.

Mr. McILRAITH: Would the leader of the opposition permit a question?

Mr. GRAYDON: Yes.

Mr. McILRAITH: Do I understand him to say that the litigants have to come to Ottawa to these trials in the exchequer court?

Mr. GRAYDON: I am told that in some cases they have had to come long distances to the exchequer court. For that reason I made the statement I did and I stand by the statement I made. May I add that if the facts are as stated, the situation amounts to a denial of justice to litigants.

In conclusion, I hope that the appointment of the puisne judge envisaged by this legislation will not be used as a reward to someone who has been active in the political field. I believe that we in this country have been fairly fortunate in this regard. I am not going to raise the question at this moment, but I warn the minister that if there ever was a time when it was important to maintain and preserve the high prestige of the judiciary, and, indeed, to enhance it, it is in the perilous times through which we are passing. I plead with the minister to keep this high judicial appointment above any influences which might reflect upon the importance of the position. I like to see the Canadian judiciary preserved upon a plane in keeping with the kind of democracy for which so many of our men and women to-day are fighting.

Mr. FREDERIC DORION (Charlevoix-Saguenay): I should like to make a few remarks on this bill, not to oppose it, because I believe it is an opportune measure, and I cannot refrain from congratulating the Minister of Justice (Mr. St. Laurent) upon having presented it, because it will help the administration of justice.

The other day, when this bill was read for the first time, a suggestion was made by the hon. member for York-Sunbury (Mr. Hanson), which, I think, deserves special attention, and this suggestion has been repeated to-night by the leader of the opposition (Mr. Graydon).

Since 1930, divorce cases in all provinces except Quebec and Prince Edward Island have been decided by the local courts. I must state right away that, whatever one might think or say about the province of Quebec, we will never consent to have divorce cases decided by our provincial courts. But, instead of having cases come before parliament, I wonder whether, with the nomination of one more judge to the exchequer court, this is not the proper time to study the question of extending the jurisdiction of this court to divorce cases.

It would be necessary to make special provisions regarding this kind of cases, and I think we Catholics would be ready to accept such a suggestion, provided—and I must insist on this point—a case could not be heard when the petitioner is a Catholic unless he can produce leave to proceed which has been granted him by the bishop of the diocese in which he has his domicile.

This suggestion would not interfere in any way with the rights of those who are not of the Catholic faith, and it could not then be opposed by anyone, because the only effect would be to restrain divorces of Catholics and help them to respect their faith, their religion.

I believe, Mr. Speaker, that if the Minister of Justice, who is a fervent Catholic, would discuss this matter with the religious and civil authorities of our province, something along that line might be done to enable the House of Commons to get rid of these bills which constitute a shameful burden in our statutes.

(Translation): Mr. Speaker, I wish to add a few words on this bill, and the appointment of an additional judge of the exchequer court. My remarks will, in a certain measure, support those made by the leader of the opposition (Mr. Graydon). As this hon. gentleman has stated a few moments ago, we have been fortunate so far in avoiding most of the dangers with which our method of appointing judges is fraught. The few mistakes we have made, in spite of all the precautions inherent with these nominations, are working to the prejudice of those who avail themselves of our courts of justice. Consequently, I believe we should attempt to prevent the appointment of judges who would not prove equal to the task. In my opinion we can never be too careful in this connection. One method would offer some guarantee in this matter. The government could ask the bar associations of the various provinces to supply, at the beginning of each judicial year, a list of lawyers whom they consider as competent to sit on the bench of the superior court or any other provincial or federal courts including the exchequer court. I feel this is about the only way to prevent unqualified persons from being appointed and I claim that this would help, as nothing else could, to restore the coat of arms of our courts of justice to its former lustre and give our citizens the guarantee to which they are entitled in connection with the dispensation of justice.

Mr. T. C. DOUGLAS (Weyburn): Like most laymen, I hesitate to say anything about this because it is the special preserve of members of the legal profession, but I support the view taken by previous speakers with reference to the matter of divorce. Every year I have heard members on all sides of the house protesting against the fact that we were still cumbered with the business of passing divorce legislation. I do not think any of us like it. We are all conscious of the fact that we are called upon to discharge a responsibility for which we are not fitted and to decide on matters to which we have not been able to give thorough and searching investigation.

Whether or not the exchequer court would be the proper judicial body to have the matter referred to, I am not in a position to say; but I say to the Minister of Justice (Mr. St. Laurent) that if he could persuade the government to set up some judicial machinery to take care of divorce cases instead of having them come to this parliament, I believe he would be doing a great service to the country as well as to the members of the house.

The second point I should like to make is this. From my limited knowledge of the function of the exchequer court, I think this bill is essential. During the war, and in the immediate years following the war, there will be a great many things for the exchequer court to do, such as the valuating of property, in some cases the restoration of property to people from whom it was taken over for war purposes, the disposal of war plants, which will mean reference to this judicial body of matters for adjudication as to the value of property and the amount that ought to be paid for it. I can well understand, therefore, that there ought to be an extra judge on the court.

I would point out to the Minister of Justice, however, that a few years after the war, when we return to normal peace time tempo, there may not be the need for this judge, and one of the things I have always noticed is that, in government and judicial appointments, while you may add to, you seldom subtract from the machinery of government, with the result that often appointments are made and positions kept open for years, long after the need for them has entirely disappeared. Consequently, I should like to have seen in this legislation provision for a return to the old number, a president and a puisne judge, at some distant date. I should like to see some provision whereby the appointment would be temporary, five or three years after the cessation of hostilities, or some fixed period; otherwise I feel that when we return to the peacetime tempo it may be that these judges will not have sufficient to keep them employed and will be building up a judicial machinery out of all proportion to the needs.

Mr. JEAN-FRANCOIS POULIOT (Temiscouata): Taking into consideration what has been said by my esteemed colleagues who have spoken on the matter, I must say that the hon. member for Charlevoix-Saguenay (Mr. Dorion) has made a suggestion that well deserves consideration. It is one which it would be worth while for the government to discuss with the proper authorities so as to come to some understanding. It is to my knowledge the first constructive suggestion that has been made to relieve us of the plague of divorce legislation in this house, and for that reason it is most valuable and deserves special consideration.

I am sure the Minister of Justice (Mr. St. Laurent) will make a good selection of judges, and there the hon. member for Charlevoix-Saguenay has made another practical suggestion which it is superfluous to repeat. A man of the calibre of the Minister of Justice needs no warning about the qualification of men whom he will recommend to the bench. But the suggestion made by the hon. member for Charlevoix-Saguenay would make his task easier and would save him a lot of useless correspondence answering those who are unfit for the bench but who think they would be great legal minds on high courts.

Here comes a practical question. Is there enough space in the present quarters of the supreme court and the exchequer court for another judge? I do not think so. You know, sir, these buildings are quite immemorial, built years ago when the old parliament was constructed. They served as a workshop and the sanitary conditions were very bad. I do not want to see judges as badly located as they are now in that building. I understand that the building which is to serve now for the supreme court and the exchequer court, the finest building in Canada, is used for recuperation and salvage, while the judges of the supreme court and the exchequer court are in that old shop. There is no sense in that. Why not move the recuperation and salvage into the old building and transfer the judges to the building that belongs to them, a building that is worthy of the administration of justice in Canada?

There is another practical reason. In years gone by I fought to have fireproof libraries. A library is indispensable to the judges of the exchequer court as well as to the judges of the supreme court. The new building has that. I know there are treasures in the

present library. That library is not fireproof. I fought to have a fireproof library. It exists in the sumptuous new building. The old one is just a place where rats eat books. They are not bookworms; they are book rats. There are judges who have died on account of the unhealthy and unsanitary conditions of that building. They complained to me. I fought their case with success and the new building was built. It was so much my case that I was given a copy of the inspection report which was made by an official from the Department of Pensions and National Health. I fought their case under the old regime and under this government.

There is no other country in the world where a beautiful and sumptuous building built for the Supreme and Exchequer Courts of Canada is serving as offices for recuperation and salvage bodies, while the old building that would be fit for the recuperation and salvage body is serving as the location of the highest court in this country and the exchequer court. It is only in Canada that things like that happen. It is only in Canada that things like that are looked upon as a natural matter of course. Nobody will complain about it. It is supposed to be the right thing. Judge, you go to the kitchen. Well, sir, it does not make sense. Everybody laughs. It is ridiculous. I again bring it to the attention of my good friend, the Minister of Public Works (Mr. Fournier), who is in charge of all the buildings of this country. I ask him if he will not give the order to tell recuperation and salvage bodies to go from there and to tell the judges that they should go to the quarters that are fit for them, that are worthy of their dignity and where they will have room enough to breathe. Apart from that, there are treasures there in the form of books that cannot be replaced with any amount of money. They are most valuable; yet they are exposed to fire, rats and vermin. They will be protected against loss if they are moved to the already fireproof library of the new supreme court building. I do not want the justices to die. I do not want the gentlemen who will be appointed by the Minister of Justice to these high functions in virtue of this bill to be exposed to the contracting of deadly illnesses in the present premises where the court sits. They should move somewhere else. Give the order which should be given, and which I hope will be given.

Mr. J. G. DIEFENBAKER (Lake Centre): I listened to what my leader said with regard to the delays in the handing down of judgments by the exchequer court, as it is now constituted. I had not heard that feature raised before. I think it is a matter upon which the minister should give information to the house and to the country. I think he should tell us whether or not judgments are outstanding and whether or not that is one of the reasons why this court is to be increased in number. I can very well understand that by reason of the exigencies of war there is a necessity to-day to increase the number of judges of the exchequer court. I favour an increase in that court, for the reason that if there is delay in the handing down of judgments it is a matter which more than anything else has been responsible for the very great increase in recent years in the trend to the establishment of administrative bodies which not only create the law, interpret the law, but enforce the law as well.

I believe that is one of the matters which should receive the attention of the minister, a most distinguished member of the bar, a man whose services to the legal profession of Canada may be measured by the fact that he has been president of the Canadian Bar Association. I look to him to make certain changes in the general set-up of the judiciary in Canada to ensure that not only will justice be assured by the quality of men appointed to the bench, but the independence of the judiciary shall be maintained.

If there is one thing that is necessary it is the maintenance of the public esteem of the judiciary. That esteem is not as high to-day as it was some years ago. I think the reason for that can be found in the fact that too often the members of the judiciary have been utilized and their services secured in connection with royal commissions set up for the investigation of various matters. If there is one matter more than any other that would improve the judiciary of this country it would be a declaration by the Minister of Justice that from now on no judge in this country would be appointed as a member of a royal commission investigating any matter that savours in any way of a political nature.

I have every regard for the judiciary of this country and for the high standards that they have maintained, but all too frequently the idea is held throughout the country that a predominant prerequisite to an appointment is not always eminence at the bar or judicial merit but political considerations. I am not arguing that political considerations do not enter into the matter, but I suggest that in appointing judges the minister should first and foremost take into consideration the leadership at the bar of the gentlemen who are candidates for the position. Good men can be found in his own party, and I do not believe in placing specious arguments before the house and say that he must necessarily go outside of it. The

aim should be to place in positions of judicial responsibility the best men that can be secured. I heard the minister enunciate that principle more than once while he occupied the highest position in the bar association of this dominion.

In making that statement I am not suggesting that any appointments have been made recently or since he occupied his present position that savour of political considerations having been paramount. But I do think, at this time when democracy is being challenged, that above all we must maintain the independence, integrity and security of the bench.

Most of the legislation affecting the people of this country at this time has never seen parliament. Most of it is a product of administrative boards, controllers and other persons holding similar positions. I realize that in time of war there must be a tendency in that direction to a certain extent. I consider that it is unfair to the individual that in almost all, if not all, of the legislation passed by administrative bodies to-day there is a denial of the right of the individual to seek recourse to the courts. Equality before the law and equal access to the courts are denied individuals to-day under some of the legislation that has been passed by administrative bodies, and I suggest to the minister that the exchequer court, which is national in character, might be one court to which powers should be given to enable individuals affected by orders in council or administrative orders, not as members of a class but as individuals, to have the right of appeal to that court. As far as orders in council and administrative orders are concerned which affect all the individuals within a class, I do not ask for the right of appeal; but when boards or administrators single out one individual and direct him to do that which other individuals within his own class are not required to do, then I submit that in the interests of justice and fairness, there should be a right of appeal, to the end that the private rights of the individual should not be made subject to the dictation or the caprice of an administrative body.

Therefore I ask the minister to take into consideration at a later date extending the powers of the exchequer court in order to protect the rights of individuals subject to individual orders made by administrative bodies, to the end that the first right of a British seaman, equality of access to the courts and the right of appeal, shall be assured to all who are so affected. Personally I can understand why there has been delay in the handing down of judgments on the part of the exchequer court during the last two years. I might say that hon. members were pleased with the appointment of a former member of this house, a distinguished member of the bar, as a judge of this court two years ago. It is impossible for two judges, however eminent and diligent they may be, to hand down judgments in the order in which they should be handed down, having regard to the increasing numbers of cases that have been heard since the beginning of the war. I support the principle of the bill, increasing the number of judges of the exchequer court, and I submit for the consideration of the minister the suggestions I have made.

Mr. A. H. BENCE (Saskatoon City): Mr. Speaker, I should like to take this opportunity of suggesting to the minister and to the administration the advisability of revising the Judges' Act in at least one particular, namely, in connection with a matter which has been a subject of discussion in this country lately, particularly in the press. I refer to the anomalous situation that exists as far as the compulsory retirement of members of the judiciary is concerned. In 1913 a provision was placed in the Judges' Act under which county and district court judges were retired compulsorily upon attaining the age of seventy-five. Then in 1935 the Judges' Act was amended to provide that judges of the supreme court—

Mr. ST. LAURENT: Mr. Speaker, I regret to have to raise a point of order, because this is a very interesting subject and one which I think will require at the proper time to be considered and discussed in the house, but it does not seem to me that it arises under this bill. This is merely a bill to amend the Exchequer Court Act to provide for an additional puisne judge. The Judges' Act does contain a section with respect to the retirement of judges of the Supreme Court of Canada and of the exchequer court, so that the matter is not germane to this subject at all.

Mr. BENCE: If I may speak to the point of order, it is true that this bill has to do with the amendment of the Exchequer Court Act, but it also contains this provision:

> Whenever in any act of the parliament of Canada reference is made to the judge or a judge of the Exchequer Court of Canada for the purpose of conferring any power, authority or jurisdiction upon such judge, the same shall be taken to confer the said power, authority or jurisdiction severally and respectively upon the president and the puisne judges of the court.

That directly refers to the Judges' Act, and I would point out also that the minister is providing for the appointment of another

puisne judge to the exchequer court, but as far as I can see he does not provide for the payment of that judge. The only authority for the payment of the puisne judge is under the Judges' Act, and certainly if a discussion of the Judges' Act with respect to the payment of that salary and with respect to retirement is not germane, then I do not know what is.

Mr. ST. LAURENT: There is on the order paper a resolution providing for the introduction of a bill to amend the Judges' Act precisely for the purpose of providing a salary for this additional puisne judge; but the bill now before the house merely amends the Exchequer Court Act to provide that there shall be two puisne judges instead of one. It is not that I do not find the subject interesting, or that I shall not be glad to have the views of hon. members upon it to assist me in the administration of my office, but I suggest that this is not the time when such a discussion is in order.

Mr. SPEAKER: The hon. member refers to section 1 of the bill, which contains these words:

. . . the same shall be taken to confer the said power, authority, or jurisdiction severally and respectively upon the president and the puisne judges of the court.

On the strength of that he suggests that he is entitled to discuss the Judges' Act. While on second reading a good deal of latitude is allowed as to the subjects that may be introduced, I must say I hardly think it would be relevant to discuss the Judges' Act under a bill such as this, which simply provides for the appointment of another puisne judge of the exchequer court. I do not think the hon. gentleman would be entitled to proceed. It has been pointed out that a discussion of the Judges' Act might be more relevant on the resolution on the order paper standing in the name of the Minister of Justice, to amend the Judges' Act.

Mr. BENCE: I must bow to your ruling, of course, Mr. Speaker. If I may, I would point out that the puisne judge appointed under this legislation will be subject to the Judges' Act, but if as a result I may not discuss the Judges' Act I shall not do so. The minister suggests that I shall have an opportunity to discuss the matter when the amendment to the Judges' Act is under consideration, so that I shall wait until that occasion.

The other point I wished to raise was the point so ably dealt with by the hon. member for Lake Centre (Mr. Diefenbaker), namely, the policy of this administration, and of some prior administrations, of using the judiciary for purposes other than those for which they were appointed. At the present time we know of at least three cases where judges of superior courts have been appointed to boards in this country. We also know that one hon. justice from the province from which I come is, and for some years has been, high commissioner to Australia. It does seem to me that when it comes to a question of appointing judges, if the act provides for the setting up of a court, and for the appointing to that court of a certain number of judges, they must be appointed for the purpose of considering judicial matters, and that the administration should avoid the appointment of them for any other purpose. If they are to be judges, then let them be judges. If they are to be chairmen of boards or high commissioners to other countries, then let them be chairmen of boards and high commissioners to other countries. But so far as their position in the judiciary is concerned, I suggest that as long as they are judges they should confine themselves to their judicial duties.

I think it is extremely unfair that the administration has seen fit to appoint a number of these judges—and I do not for one moment criticize the judges; I am criticizing the administration for appointing them—to posts where they remain for months or years, and at the same time hold their appointments in what I would call cold storage.

I should like to make a suggestion to the administration in connection with the matter of vacancies. It seems to me that vacancies in judicial bodies in Canada should not be allowed to remain for any length of time. I suggest that in proper time an amendment should be brought in to the Exchequer Court Act, and the other acts which would be applicable, providing that no vacancy in connection with the Exchequer Court Act or the Judges' Act shall remain for longer than three months.

At present in Saskatchewan we have a situation where there is a vacancy on the court of king's bench. That vacancy has existed for some months, and I suggest that to meet the ends of justice it should be filled as quickly as possible. I am sure that many eminent men are available for the position and would be quite willing to accept it. The feeling is that too much point is made of the holding up of these vacancies for political considerations. The feeling in the part of the country from which I come is that the vacancies are allowed to continue, and that the judgeships are dangled in front of the noses of prospective appointees until the eve of an election, on the basis or presumption that possibly they will be able to render a

greater and more effective service to their particular political party, and their adherents in the interim. It seems to me that this is a very bad practice, and that when these vacancies occur, in the interests of justice, in the interest of the bar and particularly in the interests of prospective litigants, such vacancies should not be allowed to continue in that fashion.

So far as the addition of a puisne judge in this instance is concerned, I presume, from the information which has been given rather briefly by the minister, that undoubtedly one is required. I believe it would be interesting if the house were given more information on the matter. It may have been asked for earlier, because I was not in the house during the whole of the discussion. Perhaps the minister might advise us as to the increase in litigation, and the number of judgments which have not yet been handed down. He might tell us how the situation compares with that of two or three, or perhaps five years ago. So far as I am concerned, as a lawyer I welcome the opening up of any additional positions like this. But as a representative of the people I wish to make certain that such additional judgeship is absolutely required in the interests of the people, and that it is the economically sound thing to do in the long run.

The minister mentioned that the salary of the judge would be discussed under the amendment to the Judges' Act. I have some observations to make in that connection, but I shall defer them until that time.

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

On section 1—Constitution of court.

Mr. GRAYDON: I believe the minister is going to make a statement.

Mr. ST. LAURENT: Mr. Chairman, I just wish to state most emphatically, in answer to the remarks of the leader of the opposition, that there is nothing behind this bill which would be in line with his suggestion that the government might be contemplating the creation of a court to administer the law of divorce for those provinces which at the present time do not have such a court.

I do not wish to discuss the matter of divorce. The only two provinces which have no divorce courts at the present time are those of Quebec and Prince Edward Island. In Prince Edward Island I do not know whether divorce jurisdiction is exercised by the governor in council. But I see from a very interesting book on parliamentary divorce by Gemmill that there was jurisdiction in the governor in council to deal with divorce cases.

In Quebec not only is there no jurisdiction to deal with divorce, but there is a pre-confederation law, which was continued in force by the British North America Act, and which will remain in force until this parliament chooses to deal with it, as it has jurisdiction to do under section 91 of the British North America Act. This pre-confederation law declares that marriage is dissolved only by the natural death of one of the spouses. No matter what jurisdiction you set up, so long as that is the law of the province, no divorce could be granted by any court.

There are applications for legislation which come before this parliament, and where divorces are enacted. This is not as a matter of right; no one has any right to a parliamentary divorce. That is a special legislative grant that is made under special circumstances revealed by the investigation carried on before a committee. I do not wish to enter into any controversial discussion of the matter, but for those who admit the supreme authority of the Scriptures, the natural inquiry is, as stated in Gemmill: what law has the Saviour propounded on the subject?

Many Christian people believe that the law He has propounded on the subject was that divorce could be granted for adultery. Many other Christians believe that that exception in the Scriptures about adultery does not authorize the granting of a divorce, even for that cause. The latter view is that held by the Roman Catholics; the former is the view held by the other Christians who also take their law from the Scriptures, because of their reading of the Scriptures.

But for a great many years there has been the tendency in many countries to disregard that as the fundamental law, and to provide for divorces for causes other than adultery. I do not wish to discuss the merits or demerits of the case; but there is one province in which there is no right to a divorce under any condition—because of a positive statutory enactment existing prior to confederation, and confirmed by the British North America Act, which constitutes the law of that province until it is otherwise dealt with by the proper authority, which, in this instance, would be this parliament, and which denies absolutely that there can be any divorce or any dissolution of marriage otherwise than by the natural death of one of the parties. This bill has nothing to do with what some might consider advisable and others consider inadvisable, namely, to establish divorce as an institution where under certain conditions parties in the

province of Quebec would be entitled as of right to obtain a judgment of divorce. That matter is not intended to be dealt with at all by this bill.

The only other point with which I wish to deal is the suggestion that there have been serious delays in the handing down of judgments in the exchequer court. Only one case has been brought to my attention. That was some time in January. I inquired about it and found that the hon. justice required, for the purpose of his judgment, a transcription of the evidence which had been taken; the stenographer had been prevented from transcribing his notes, and the judge was waiting for them. This information was transmitted to the litigant who had complained of the delay. He wrote again about a fortnight ago, and I made a further inquiry and found that just a week before I made the further inquiry the transcription of the evidence had been filed and that the judge hoped to be able to dispose of the case within a very short time afterwards. I have no doubt that there are cases in that court, as there are cases in all courts, where judgments are reserved for a period which seems unduly long not only to the litigants but to the lawyers who represent the litigants. I practised at the bar too long not to have found that to arise all too frequently, I thought, but I have not heard any serious complaint of undue delay in the exchequer court.

Mr. GRAYDON: Have there been any complaints of delays by any representative of the Ontario bar to the minister?

Mr. ST. LAURENT: No, the only complaint I got was from a litigant who complained that his judgment had not been handed down. I have no recollection of receiving, over the last several months, any other complaint with respect to delay in any case in the exchequer court. The president of the exchequer court informed me when I inquired about the matter generally some weeks ago, that very satisfactory progress is being made in getting rid of the reserved cases both by himself and by his colleagues. But the number of cases has increased, and increased quite substantially. For instance, informations filed by the crown in 1935 amounted to twenty-five in number; in 1939 to sixteen; in 1943 to seventy-two. Petitions of right in 1935 were fifteen in number; in 1940, eleven; in 1943, fifty-three. Patent cases are not as numerous as they were before the war, because of the special situation arising out of the war, but it is anticipated that as soon as that special situation ceases to exist, the number of patent cases will very probably increase. There has been a substantial increase in the amount of work to be done, and I am glad to know that all those who have taken part in the debate consider that it will be proper to have another judge there to carry on the work of the court expeditiously, because I admit that good justice must be expeditious justice. Otherwise, it is not really sound justice.

Mr. GRAYDON: There is too much work for the court to do at the present moment.

Mr. ST. LAURENT: I think there is. I see my colleague the Minister of Public Works (Mr. Fournier) is not here at the moment. He was listening attentively to what one hon. member had to say about the place where that court and the supreme court are housed. I am afraid the hon. member exaggerated a bit, because I have visited from time to time the premises in Downing street where the judicial committee of the privy council sat, and though I am not as a lawyer satisfied with the premises now occupied by our supreme court or by our exchequer court, they do have something of an age-old respectability that also pervades the premises where the judicial committee of the privy council used to sit.

Mr. GRAYDON: They certainly have an age-old atmosphere.

Mr. ST. LAURENT: With respect to the appointment of judges I have tried to make satisfactory appointments, and quite frankly I have been rather proud of the comments I have received about most of the appointments to the high courts in the several provinces that it has been my privilege to recommend. I may say to the hon. member for Lake Centre (Mr. Diefenbaker) that a large number of the recommendations it has been my privilege to sign were in respect of gentlemen—but this did not have any effect upon it—who, I am told, were at one time or another connected with another party than that of the present administration.

Mr. GRAYDON: There are an awful lot of people who are not connected with that party any longer.

Mr. ST. LAURENT: A number of excellent judges have been appointed who, I am told, were not at any time members of the party of this administration.

Mr. BENCE: Was the minister referring to the elevation of judges already appointed or to brand-new members of the judiciary?

Mr. ST. LAURENT: To both, but I must say that there were more of the former category, the elevation to chief justiceships, or to another court of gentlemen already on the bench. I am sorry that any member of the

bar would suggest in this house that I would be dangling judgeships before anybody's eyes. I do not feel that that is quite fair.

Mr. BENCE: Will the minister expedite the appointment in the province of Saskatchewan?

Mr. ST. LAURENT: Does the hon. member suggest that there has been any undue delay in the administration of justice in Saskatchewan?

Mr. BENCE: If five judges are required on the bench as provided by the act, then five ought to be appointed.

Mr. ST. LAURENT: I have very much sympathy with the hon. member who, I understand, is a member of the bar of that province, but the information that I have is that the amount of litigation prosecuted in that province is not such that there has been any undue delay resulting from the fact that one of the judges of the court of appeal has been serving his country in another capacity since the beginning of the war, or because since December another vacancy has occurred in the high court of that province.

Mr. DOUGLAS (Weyburn): I would point out, Mr. Chairman, that it is eleven o'clock, if the minister wants to discuss the bill further. Is my voice getting so weak that I cannot be heard? I am suggesting that it is eleven o'clock, Mr. Chairman.

Mr. ST. LAURENT: I have no other observations to offer on this point, unless there are other questions it is felt I should answer.

Section agreed to.

On section 2—Power to appoint a deputy judge.

Mr. DOUGLAS (Weyburn): There are a number of questions we have to ask and it is now past eleven o'clock, Mr. Chairman.

Section stands.

Progress reported.

On motion of Mr. Mackenzie (Vancouver Centre) the house adjourned at 11:10 p.m.

Monday, March 27, 1944

The house met at three o'clock.

STANDING COMMITTEES

RAILWAYS AND SHIPPING—FIRST REPORT OF STANDING COMMITTEE—CHANGE OF PERSONNEL

Mr. J. P. HOWDEN (St. Boniface) presented the first report of the standing committee on railways and shipping owned, operated and controlled by the government, and moved that the report be concurred in.

Motion agreed to.

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

That the name of Mr. Hanson (York-Sunbury) be substituted for that of Mr. Hazen on the standing committee on railways and shipping.

Motion agreed to.

COAL

REVISED SUBSIDY POLICY AFFECTING WESTERN DOMESTIC FIELD

Hon. C. D. HOWE (Minister of Munitions and Supply): Mr. Speaker, I desire to make a statement on production subsidies on coal.

During the period of acute shortage of domestic coal in western Canada, subsidies were paid to certain high cost producers of coal, to stimulate production. The subsidies paid covered all losses, plus an item of profit, and were justified as a basis of assistance when coal had to be obtained at any reasonable cost, but left no incentive on the part of the operator to reduce his cost to a minimum.

The situation in western Canada has now completely changed. Domestic coal is in surplus supply and it has been necessary for the government to consider a more equitable method of assisting those mines that might collapse if all government assistance were withdrawn. On the recommendation of the emergency coal production board, the following revised subsidy policy affecting the western domestic field has been adopted:

Effective April 1, 1944, coal mine operators who have been operating at a loss will be paid a maximum subsidy as follows:

Sixty-five cents per net ton for mines operating in the Edmonton area.

Thirty cents per net ton for mines operating in the Drumheller area.

Thirty cents per net ton for mines operating in the Camrose area.

Thirty-five cents per net ton for mines operating in the Lethbridge area.

Thirty-five cents per net ton on shaft mines in the Coalspur area.

Thirty-five cents per net ton for mines operating in the Saunders area.

Fifteen cents per net ton on shaft mines operating in the Saskatchewan field.

The above subsidies represent the average increased cost incurred by operators in the various fields due to wage increases and the cost-of-living bonus.

In cases where the operator has been able to absorb part of the increase in cost, an alternative subsidy of a flat rate per ton equivalent

to the average subsidy approved during the months of October, November, and December, 1943, plus cost-of-living bonus, will be paid, provided such bonus is not greater than the maximum subsidy per ton named above for the various fields.

The revised subsidy will be paid for the government fiscal year 1944-45, but subject to review at the end of each three months.

Subsidy may be reduced if the review shows that a profit greater than the company's standard profits is earned.

The foregoing is an attempt to meet the present situation of coal production in western Canada. It is recognized that the war has had the effect of changing and disturbing pre-war arrangements for the production and marketing of coal in all parts of Canada. It seems probable that the dominion coal policy will require revision as it will apply to post-war years.

Therefore, the government will appoint a royal commission, charged with the duty of studying all aspects of the production and distribution of coal in Canada, to report to the government with recommendations for such alterations of the pre-war coal policy as its findings may indicate as necessary or desirable.

Mr. HANSON (York-Sunbury): Do I understand that this applies only to the western coal field, and that there is to be no change of policy with respect to the maritime field? I understood this change was coming, but that it was to apply also to, say, the Minto field. It should, because the present policy puts a premium on inefficiency and a penalty on the efficient operation of that mining area.

Mr. HOWE: I expect to be able to announce a policy for eastern Canada within a few days. The situation in the Minto field has been studied, but I was not ready to make an announcement to-day.

Mr. GRAYDON: Will the minister be in a position soon to announce the personnel of the inquiry board?

Mr. CRERAR: Give us a little time.

Mr. HOWE: I presume that will be announced shortly.

Mr. DOUGLAS (Weyburn): Will the minister explain the low subsidy in the Saskatchewan coal fields as compared with Alberta?

Mr. HOWE: I cannot say. It is the recommendation of the emergency coal production board.

BUSINESS OF THE HOUSE

SUSPENSION OF SPECIAL ORDER WITH RESPECT TO SITTING OF WEDNESDAY NEXT

Right Hon. W. L. MACKENZIE KING (Prime Minister): I should like to say a word to the house about the proceedings of the present week. As the house will be adjourning on Friday for the Easter vacation, I think it would probably suit the convenience of members generally if instead of sitting on Friday night we were to sit on Wednesday afternoon. If that is agreeable, I would move:

That the resolution passed by the house on February 21 last with respect to Wednesday sittings be suspended in relation to Wednesday next.

On Friday night it was announced that this afternoon we would continue with the munitions and supply items under the war appropriation resolution and this evening take up some minor bills. I feel, however, that we should, before adjourning for Easter, make as much headway as possible with the war appropriation measure. The government therefore would prefer to continue this evening with the discussion of the war appropriation estimates on munitions and supply, and if they are not concluded to-night continue with those estimates to-morrow; the only exception being that in the last part of the evening, between half past ten and eleven, we would seek again to get an item or two into supply.

Mr. GRAYDON: That is to-night.

Mr. MACKENZIE KING: That will be to-night, and if we do not succeed to-night we shall try again to-morrow night.

It might assist hon. members were I to indicate what perhaps could be taken up on Wednesday afternoon. The house has already considered one or two financial measures. Item 14 on the order paper is the second reading of bill No. 38, to authorize the raising by way of loan of certain sums of money for the public service. This might be the first item on Wednesday, and the second, the resolution that it is expedient to bring in a measure to provide for the refunding of certain obligations of the Canadian National Railways. There are two or three other measures that have been considered in part, one respecting the Exchequer Court Act, one with respect to an amendment to the Judge's Act to provide an additional judge, and a very small measure with respect to the Water Meters Inspection Act. These might also be taken up on Wednesday and, if an opportunity should be afforded, item 13 on the order paper which is the resolution respecting the city of Ottawa.

The Acting Minister of Finance (Mr. Ralston) has an announcement which he wishes to make. My reason for my preceding him was that I thought I should clear the way for a statement he intends to make regarding interim supply.

Mr. GORDON GRAYDON (Leader of the Opposition): I think it is wise to go as far as we can in expediting the war appropriation resolution debate, and I simply want to say this to the Prime Minister. I should like very much if the government, during the Easter recess, would consider the advisability of restoring Wednesday afternoon sittings.

I do not bring this up in any desire to quarrel with the government over this matter; I did so once before, and I think perhaps one quarrel is enough. In my opinion, however, members generally have found that the suspension of the Wednesday afternoon sittings has not worked out in the best interests of parliament, although I must confess that the argument which the Prime Minister put on record before, from the point of view of the work of the war committee of the cabinet, is one which of course should also have serious consideration. I am prepared to give that consideration to the right hon. gentleman and his cabinet.

The fact is, however, that from the point of view of committee work, I have checked the work that has been done by the committees, and I find that of the standing committees, up to date, only three out of fifteen have met at all and only one of these met for part of one Wednesday. The situation with regard to the other special committees is that the majority of them have met on Wednesdays, but very few of them have worked on either Monday or Friday and very few on Tuesdays. That means, as I think most members will agree, that we have not been utilizing Wednesday afternoons in the manner anticipated by the government.

I suggest to the Prime Minister that there must surely be some way by which the cabinet's work can be arranged to provide that neither the members of the war committee nor the Prime Minister need be in the house on Wednesday afternoon. We would be prepared to facilitate that arrangement as far as possible, and perhaps some of the cabinet ministers whose work is possibly not so important, or at any rate so heavy, could be utilized for that purpose, so that we might have Wednesday afternoon for ordinary house work.

We have felt that it retarded the work of the session to have Wednesday taken out of the week, and that has been borne out by the experience we have had in the last few weeks during which the new practice has prevailed. I would ask the Prime Minister to give serious consideration to the suggestion, because with the tremendously heavy agenda I think it would be of great help in getting the work under way and the business of the house coming up in proper sequence.

Hon. R. B. HANSON (York-Sunbury): I desire to take this opportunity of asking the Prime Minister whether consideration cannot be given to facilitating the second reading of some bills that are on the order paper. I am not referring to divorce bills, but to bill No. 39, and I assume bill No. 40, listed on page 21 of the order paper. These two bills are of some importance to the companies concerned, especially bill No. 39, with which I am very familiar. I would ask that the government give consideration to facilitating the calling of these two private bills. They are of some importance or they would not be here. Perhaps it could be done before the Easter recess.

Mr. MACKENZIE KING: Replying first to the hon. member for York-Sunbury, I would say at once that the government will be pleased to consider the request which he has just made. It may involve giving consideration to other bills as well as those he has mentioned. I can assure him the matter will be carefully considered, but I cannot promise more than that.

May I say to my hon. friend the leader of the opposition that we on this side are just as anxious as, if not more anxious than, he is to expedite the business of the session. I can assure him that if I did not believe that what has taken place thus far had had that effect, I would not press for a continuation of the practice. If one compares what has been accomplished on Friday evenings with what would have been accomplished by sitting on Wednesday afternoons, I believe one would come to the conclusion that thus far in the present session we have accomplished more work by substituting Friday night for Wednesday afternoon.

Mr. GRAYDON: Perhaps the Prime Minister misunderstood my point. We are anxious to work Friday nights as well.

Mr. MACKENZIE KING: That may be perfectly true, but my hon. friend has not the responsibility that those of us who are members of the government have. It is quite easy to say that the opposition can get along without the ministers of the crown, particularly those belonging to the war committee of the cabinet, but I would remind my hon. friend that there are very few questions that come up this session that do not in one way or another touch some aspect of the war, and I have grave doubts as to the wisdom of all members of the war committee of the cabinet being wholly absent from the house at any time. However, do not let my hon. friend imagine that Wednesdays are reserved simply for meetings of the war committee of the cabinet. There are meetings of the entire

cabinet as well that have to be held, and have been held on Wednesdays, as well as the meetings of the war committee of the cabinet. It is a little difficult to have hon. members realize that at a time of war, and particularly at this stage of the war, there is a tremendous amount of business which can be done only by the executive, and which has to be done only by the executive in comparison with what is the case at any other time.

I mention the present stage of the war. The cabinet to-day is giving almost as much consideration to matters that pertain to post-war affairs as it is giving to matters actually related to the war itself. In the very nature of things many of these matters cannot be disclosed because they involve a careful consideration of what is being proposed by other countries as well as by Canada. We receive from time to time, almost daily in fact, communications which set forth representations on different matters that come to us, some from the government of the United Kingdom, some from the United States, some from the other dominions, on such all-important questions as those related to what will come up immediately after the war is over, or when there is an armistice. These post-war problems have to be considered. They are very important. If a mistake is made in a matter of policy on something that affects the whole future of the relations between nations, it is a very serious mistake indeed. I am not assuming that we are going to make mistakes, but we certainly wish to avoid them and so far as Canada is concerned to give our mature judgment to these questions and to give as wise decisions as it is possible to give.

I do say that it is not humanly possible for members of the cabinet to deal, with a full sense of responsibility, with the class of questions we have now before us and also attend in this House of Commons on Monday, Tuesday, Thursday, Friday afternoon and night and Wednesday afternoon. That is just not possible, and I think it better to speak plainly in this way in order that the matter may be definitely understood. I am perfectly sure that in the United Kingdom, for example, they have much more business to transact than we have, and that parliament there is as anxious as we are to sit and get through its business as rapidly as possible, but they have found it necesary, notwithstanding that they do not sit in the evenings at all, to cut down the normal sittings of the House of Commons and reduce them very considerably. It is for the reason that the subjects that have to be considered are so involved, yet so important, and the implications arising out of them so vast, that they do require more than ordinary consideration.

[Mr. Mackenzie King.]

I need not say to my hon. friend that one cannot leave everything to Saturday and Sunday. Human endurance does reach its limits. I believe every minister is working most of seven days as it is, but the fact that he may not be obliged to work at high pressure every day of the week does make a little difference. Let me say to my hon. friend that the government will consider what he has suggested and do what we have done, for example, this afternoon—arrange for a Wednesday sitting where it seems desirable to have it. But I do not wish to make any promise as to any change in the procedure at as early a stage in the session as this.

Mr. GRAYDON: May I suggest that the Prime Minister also give consideration to using the services of the parliamentary assistants in a more comprehensive way in connection with the business of the house?

Mr. MACKENZIE KING: There again may I say to my hon. friend that I do not think it is realized what an amount of work is being done by the parliamentary assistants. Their work is not to be judged by the number of times they speak in this house, any more than any member's ability or his contribution to the well-being of Canada is to be judged by the frequency with which we hear his voice. The assistants to the ministers are assisting the ministers all the time. They are assisting them in connection with the work of their departments, not merely in connection with what is said on the floor of this house, but in connection with the many matters to which the ministers have to give consideration. Ministers are obliged because of different circumstances to leave matters to their parliamentary assistants instead of trying to attend to them themselves. The parliamenary assistants have been invaluable. I assure my hon. friend that they are being given just about as much work as can be expected of them.

Hon. J. L. RALSTON (Acting Minister of Finance): Mr. Speaker, following up what the Prime Minister has said, I propose that there be included in the rather long programme which he has indicated for Wednesday afternoon by asking for interim supply on the main estimates, one-sixth or two months' supply, and also for an interim war appropriation in the amount of $850,000,000. For that purpose I shall propose on Wednesday, with the consent of the house, that we give first, second and third readings to the appropriate bills.

Mr. GEORGE BLACK (Yukon): Pursuant to what has been said in regard to the desirability of considering certain private bills on

the order paper, surely the house and the government will agree that it is more important in the public interest that we should consider public bills. Private bills concern but very few people, whereas public bills are of interest to all the people of Canada. Most private bills deal with divorce, and they are merely a nuisance to parliament. If there is to be a change in the procedure we have followed since the beginning of the war I do ask that public bills be given the preference over private bills.

Motion agreed to.

FURTHER SUPPLEMENTARY ESTIMATES, 1943-44

A message from His Excellency the Governor General transmitting further supplementary estimates for the financial year ending March 31, 1944, was presented by Hon. J. L. Ralston (Acting Minister of Finance), read by Mr. Speaker to the house, and referred to the committee of supply.

INCOME TAX

POSTPONEMENT UNTIL AUGUST 31 OF FINAL PAYMENT ON 1943 INCOME

Hon. C. W. G. GIBSON (Minister of National Revenue): I desire to make a statement concerning the payment of 1943 income tax. Owing to an unusual combination of circumstances, which is not likely to occur again, the government has decided to postpone the payment of any balance of unpaid income tax falling due on the 30th of April, from that date to the 31st of August, without interest.

Taxpayers are advised that this announcement is in respect of the payment of the balance of taxes falling due on the 30th of April, and does not refer to the time of filing income tax returns. Income tax returns must still be filed on or before the 30th of April.

It will be observed that this announcement falls into two parts—one, postponing the time of payment to the 31st of August, and the other confirming that the filing of returns must be made by the 30th of April as required by law.

Perhaps a comment on the postponed payment should be made. It remains open for any individual to make payment of the unpaid balance of 1943 tax falling due on the 30th of April at any time between now and the 31st of August without any interest being added. After the 31st of August interest at five per cent, as provided by law, will become payable.

The income tax returns, as the law at present requires, must be filed on the 30th of April. The reason for requiring these returns to be filed on the present due date is to enable the income tax division to proceed with the assessing of returns, to avoid delay in making refunds and the issuing of compulsory saving certificates.

Mr. GORDON GRAYDON (Leader of the Opposition): I suggest that the minister might very properly amend his statement to read, not in view of the exceptional circumstances but in view of the pressure which came from many quarters, including this side of the house.

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 42, for the relief of Charlotte Muriel Wright.—Mr. Stokes.

Bill No. 43, for the relief of Sarah Carmichael Hay Johnston.—Mr. Emmerson.

Bill No. 44, for the relief of Margaret Georgina Isabel Townsend Mansfield.—Mr. Emmerson.

Bill No. 45, for the relief of Pasquale Di Guglielmo.—Mr. Hazen.

Bill No. 46, for the relief of Theodora B. Ostlund Fruitier.—Mr. Fulford.

Bill No. 47, for the relief of Erna Warthold Langlois.—Mr. Hill.

Bill No. 48, for the relief of Ruth Steinwold Lauer.—Mr. MacInnis.

Bill No. 49, for the relief of George Hodgson Fisher.—Mr. McIlraith.

Bill No. 50, for the relief of Molly Gurevitch Gladman.—Mr. Factor.

Bill No. 51, for the relief of Goldie Anker Lazanik.—Mr. Boucher.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

*INCOME TAX—VARIOUS CATEGORIES

Mr. NICHOLSON:

1. How many individuals in Canada received incomes, as shown by the income tax returns for each of the last five years for which returns are available, in the following categories: (a) under $2,500; (b) $2,500 to $5,000; (c) $10,000 to $25,000; (d) $25,000 to $50,000; (e) and in excess of $50,000?

2. What were the total incomes received in each of the above groups?

Mr. GIBSON: The income tax division is not in a position to supply the information in the form in which it is requested by the hon. member. Such information as is available has been furnished to the hon. gentleman, and I understand that he is agreeable to having the question dropped.

Question dropped.

NATIONAL DEFENCE—RENTAL OF PROPERTY IN SYDNEY, CAPE BRETON

Mr. GILLIS:

1. Has the Department of National Defence any property in the city of Sydney, county of Cape Breton, rented from Lillian Elman or Gordon Elman or Elman Motors?

2. If so, what rental is paid for the said property?

3. What is the assessed value of the said property?

4. Was said property rented directly by the department or on the recommendation of some person or persons?

5. If the latter, what are the names of those making such recommendations?

Mr. MACDONALD (Halifax):

1. Yes. Garage located at 475-79 George St., Sydney, N.S., which is rented from Lillian B. Elman. (Approximately 16,500 sq. ft.)

2. $400 per month. This is approximately 30 cents per square foot.

3. Land $2,500, building $7,000. Total assessment for tax purposes $9,500. Building is insured by owner for $25,000.

4. Property was rented directly by the Department of National Defence.

5. See answer to question No. 4.

DUNDURN, SASK., MILITARY HOSPITAL

Mr. DIEFENBAKER:

1. How many, (a) doctors; (b) nursing sisters; (c) dental officers; (d) other ranks, are on the staff of the military hospital at Dundurn, Saskatchewan?

2. What has been the average number of patients per day in the said hospital during the past six months?

3. What has been the maximum and minimum number of patients in the hospital in any one day?

Mr. MACDONALD (Halifax):

1. As of the 21st March, 1944:

(a) Five. Of the five, one is the O.C. of the hospital, one is a specialist in medicine, one is a specialist in surgery and the other two are general duty medical officers. Dundurn military hospital was in January, 1944, classified as a class "A" hospital to provide all facilities for special treatment. It is the only class "A" hospital within M.D. No. 12 and has been set up to care for all cases within the district requiring special treatment and investigation in addition to caring for the personnel at Dundurn proper. It is also prepared for infectious disease cases.

Dundurn military hospital is responsible for the training and qualification of nursing sisters appointed to the nursing service in M.D. No. 12, as well as for certain young reinforcement medical officers preparatory to despatch overseas.

(b) Seventeen on staff of whom only eleven are on duty at Dundurn military hospital; others are attached elsewhere for duty.

(c) None, but three dental officers are stationed at Dundurn camp and are available for duty at Dundurn military hospital.

(d) Male, 38; C.W.A.C., 30; Total 68.

[Mr. Gillis.]

2. September, 1943, 61; October, 1943, 57; November, 1943, 91; December 1943, 58; January, 1944, 43; February, 1944, 75.

3. From September 1, 1943, to end of February, 1944: Maximum, 169; minimum, 18.

OFFICIAL WAR HISTORY

Mr. BENCE:

1. Has the preparation of an official history of the 1914-1918 war been authorized by the Canadian government?

2. When was such authorization granted?

3. To whom was it granted?

4. To what stage in the said war has the history been completed?

5. How many volumes of such history have been prepared?

6. What has been the cost to the Canadian government to date of such preparation?

Mr. MACDONALD (Halifax):

1. Yes.

2. May, 1921.

3. Department of National Defence.

4. September, 1915.

5. Volume I has been completed and published. There has also been completed and published a volume containing appendices which covers the period covered by volume I. When fully completed there will be eight volumes exclusive of appendices. Volumes II to VIII inclusive have been completed in part and at least 50 per cent of the total work required for their completion has been done.

6. Printing and publication $16,784; translation to date $705. In addition there would be included in the cost a proportion of the pay and allowance and salaries of the officers, other ranks, civilian employees of the directorate historical section (general staff), Department of National Defence, during the writing of the book and some proportion of the overhead running expenses of the directorate. The preparation of the history is tied up with other work of the directorate and no segregation of the costs has been made.

SOFT DRINKS AND FOUNTAIN SYRUPS—MANITOBA

Mr. ROSS (Souris):

1. How many firms are engaged in the manufacture of soft drinks and fountain syrups in the province of Manitoba?

2. What is the total amount of sugar used by said firms during each of the years 1942 and 1943?

Mr. ABBOTT:

1. 27.

2. 1942, 6,218,100 lbs.; 1943, 6,420,860 lbs.

LUMBER INDUSTRY—LOAN GUARANTEES

Mr. NOSEWORTHY:

1. What firms or individuals engaged in the production of logs or lumber have secured the guarantee of the Commodity Prices Stabilization Corporation for the repayment of money borrowed, under authority of P.C. 9242?

2. What is the amount borrowed by each, and on what proportion of each is repayment guaranteed by the corporations?

3. From what banks were these borrowings made?

4. For what length of time was each loan made?

5. What interest rate was charged in each case by the bank?

6. How much of each loan, the repayment of which is, in whole or in part, protected by the corporation's guarantee, has been repaid to date?

7. Were all these loans made directly by a bank to the producer of logs or lumber?

8. If not, what individual corporation or company borrowed the money from the bank and in turn lent it to the producer?

9. In any such cases what was the spread between the interest rate charged by the bank and that paid by the producer?

10. In the event of deficits under these guarantees, what steps are taken by the corporation to recover same?

11. What time is allowed for the final liquidation of these deficits?

Mr. ABBOTT:

1, 2, 3, 4, 5 and 6. It is not the policy of the government to give information regarding the business of individual companies.

7. Yes.

8. Answered by No. 7.

9. There are no such cases.

10 and 11. Question of loss has been raised in connection with only one loan. The general arrangement with the banks is that collection of advances is left entirely to them unless question of loss arises.

The guarantees were undertaken with the idea of stimulating the production of lumber and were extended only in cases where the credit position of the borrower was not such that the banks would have made the loans. In the 1942-43 plan the limit of guarantee was 15 per cent of the maximum amount of advances, and for this guarantee the banks paid to Commodity Prices Stabilization Corporation an amount equal to 1 per cent of the interest on the loan for the time it was outstanding. Total credits authorized in the 1942-43 season were $765,000, of which there was outstanding on February 29, 1944, only $34,128. In connection with one of these loans, which on February 29, 1944, amounted to $16,755, it is probable that the corporation will have to make good their guarantee to the extent of $3,900. This amount, however, will be fully offset by the aggregate fees paid by the banks in consideration of the guarantee. Under the 1943-44 plan the corporations's guarantee was increased from 15 per cent to 25 per cent; total credits authorized under this plan amounted to $877,600 of which $520,456 was outstanding on February 29, 1944.

NORWAY HOUSE—WINNIPEG AIR SERVICE

Mr. BRYCE:

1. Does the Canadian Pacific Air Lines hold the franchise for air passenger service from Norway House to Winnipeg?

2. Can residents of Norway House area obtain air passenger service at advertised rates?

3. Can residents of Norway House area obtain air passenger service other than chartering a special plane?

4. What are the rates charged for chartering plane for above distance?

Mr. CHEVRIER:

1. No.

2. Yes.

3. Yes.

4. The total of the charges for passengers and goods carried, but not less than $239 via air to Lac du Bonnet, thence via motor vehicle service; or $229 via air to Lac du Bonnet only. If necessary to move an aircraft from another point to accommodate the special flight an additional charge is made for the ferry service involved.

WHEAT—BROKERAGE FEES, ETC.

Mr. PERLEY:

1. What amount did the Canadian wheat board pay in pit brokerage on the Winnipeg grain exchange during the calendar year 1943?

2. What proportion of the business of the Canadian wheat board in 1943 was handled by the Reliance Grain Company, and how much brokerage or commission fees was paid to the Reliance Grain Company on the 1943-44 crop to date?

3. How many employees of the Canadian wheat board are other than Canadian citizens?

4. How many of the grain export companies handling Canadian wheat board grain have their head office other than in Canada, and where is such head office located?

Mr. MacKINNON (Edmonton West):

1. The board figures are compiled on a crop year basis and the 1942-43 brokerage figures appear in the annual report for 1942-43.

2. It is not the policy of the government to release the brokerage payments to individual firms.

3. All Canadian citizens, except two United States citizens, as far as the board is aware.

4. One, with head office in New York.

WHEAT BOARD—PAYMENTS ON PARTICIPATION CERTIFICATES

Mr. EVANS:

1. How much wheat was purchased by the Canadian wheat board in each of the crop years, 1940-1941, 1941-1942 and 1942-1943?

2. What was the number of bushels carried by the wheat board at the end of each crop year, 1940-1941, 1941-1942 and 1942-1943?

3. How much wheat was marketed to other than the wheat board in each of the crop years, 1940-1941, 1941-1942, 1942-1943 and 1943-1944?

4. When will payment be made on participation certificates on crop years, 1940-1941, 1941-1942 and 1942-1943?

Mr. MacKINNON (Edmonton West):

1. Wheat purchased from producers: 1940-1941, 395,355,522 bushels; 1941-1942, 99,540,491 bushels; 1942-1943, 167,506,531 bushels.

Wheat and wheat futures contracts purchased—Special account P.C. 1803: 1941-1942, 39,052,780 bushels; 1942-1943, 13,067,213 bushels.

2. Unsold stocks carried at end of crop years—in bushels:

	1939-40	1940-41	1941-42	1942-43	Spec. Acct. P.C. 1803	Total
1940-41	114,831,569	253,713,363	(14,933,000)	—	—	353,611,932
1941-42	55,728,222	121,966,362	43,683,089	(59,400,000)	23,097,050	185,074,723
1942-43	—	85,954,425	30,467,267	89,296,266	—	205,717,958

Note: Bracketed figures represent advance sales to new season's crop.

3. Not ascertainable. Based on primary receipts, figures would be approximately: 1940-1941, 61,000,000 bushels; 1941-1942, 127,900,000 bushels; 1942-1943, 105,000,000 bushels (unrevised figure); 1943-1944, not available.

4. Requisition forms are now being received and the issue of 1940 cheques should commence by the end of March and go out in volume in April, and when payment for that crop is completed the other payments will follow.

RIDEAU HEALTH AND OCCUPATIONAL CENTRE, OTTAWA

Mr. JAQUES:

1. How many acres of land were purchased in connection with the Rideau health and occupational centre on the Rideau river?

2. From whom was this land acquired?

3. What was the purchase price?

4. What was the assessment value at time of purchase?

Mr. MACKENZIE (Vancouver Centre):

1. Approximately 42 acres.

2. Corporation of the township of Gloucester, county of Carleton, Ont.; E. J. Billings, Ottawa, Ont.; L. M. M. Greene and L. J. Greene, Medicine Hat, Alta.

3. $13,750; negotiated and recommended by the real estate adviser, Department of National Defence, acting for the Department of Pensions and National Health.

4. $9,550. It is pointed out that the largest of the properties acquired was operated as a truck garden farm and the assessment value for properties, in the township, situated near the city does not take into consideration the future potential value of the property. In a case tried recently before the Exchequer Court, the judge made the following remarks as to assessment in comparison with real estate property value:

"There may be cases where a municipal assessment might afford some check against an exorbitant claim but, generally speaking, evidence of a municipal assessment is not of itself to be relied upon as evidence of market value for expropriation purposes."

The real estate adviser aforesaid considers that the amounts paid for the properties were fair and reasonable and in accordance with the merits of each parcel as to value.

Note.—Expropriation proceedings are now pending in respect of an additional area of approximately 230 acres, as the real estate adviser has been unable to come to an agreement with the owners as to price.

*BOUCHARD, STE. THERESE, PLANT OF DEFENCE INDUSTRIES LIMITED

Mr. BERTRAND (Terrebonne):

1. What were the 150 most important positions in the Defence Industries plant at Bouchard, Ste. Thérèse, on March 17, 1944?

2. What are the names, addresses and salaries of the persons holding such positions?

3. How long has each one of them been in the employ of the company at Ste. Thérèse?

Mr. CHEVRIER: While information with respect to the positions, names and salaries of the employees of Defence Industries Limited in the plant at Bouchard in so far as they are a direct charge to operation are available to the Department of Munitions and Supply, the company itself is a privately owned corporation and its employees therefore are not employees engaged in the public service. It would be unfair to such employees and to the company to make public such information.

MEAT BOARD ADVISORY COMMITTEE

Mr. BLACKMORE:

1. Is there an advisory committee to the meat board?

2. If so, what is the name of each member, and what position did he occupy before being appointed as a member of the advisory committee?

3. What remuneration, if any, is provided for each member of the advisory committee?

4. How many times has the advisory committee met since January 1, 1943?

5. How many times has the meat board acted upon the recommendation of the advisory committee since January 1, 1943?

6. Has the advisory committee any power whatsoever?

Mr. GARDINER:

1. Yes.

2. K. N. M. Morrison, general manager, First Cooperative Packers, Barrie, Ontario; F. H. Downing, manager, Canadian Live Stock Cooperative (Western) Winnipeg, Manitoba; Joseph Bisson, manager, Canadian Live Stock Cooperative (Quebec) Montreal, Quebec; William J. Reid, Department of Agriculture, Charlottetown, Prince Edward Island; Harry Wilson, farmer, Charing Cross, Ontario; R. McCrimmon, farmer, Fort Saskatchewan, Alberta; J. H. Tapley, president, Swift Canadian Company, Toronto, Ontario; John Burns, president, Burns & Company, Calgary, Alberta.

3. Actual travelling expenses.

4. Once.

5. The advisory committee has not followed the practice of making specific recommendations with respect to operations of the meat board. The committee is kept informed of the board's operations so that they may be in a position to offer advice with respect to matters that affect the operation of the board.

6. The advisory committee has no administrative or executive authority. The committee as its name implies is purely an advisory body.

MOBILIZATION ACT—CALL-UP AND NOTICE

Mr. RAYMOND:

1. How many persons were called for their medical examination under the mobilization act, (a) during the month of January, 1944; (b) during the month of February, 1944; (c) from March 1 to March 15, 1944?

2. How many persons received a notice to report for military training under the mobilization act, (a) during the month of January, 1944; (b) during the month of February, 1944; (c) from March 1 to March 15, 1944?

Mr. MARTIN:

1. January, 1944, 26,007; February, 1944, 23,119; March 1-15, 1944, 8,174.

2. January, 1944, 14,766; February, 1944, 12,172; March 1-15, 1944, 6,950.

CANADIAN ARMY—ORDNANCE SHOEMAKER

Mr. NOSEWORTHY:

1. What is the basic wages and the cost-of-living bonus per month paid by the ordnance department of national defence to shoemakers at Pembroke, Kingston and Ottawa?

2. Is there any difference in the basic wages? If so, on what ground are these differences justified?

Mr. MACDONALD (Halifax):

1. Pembroke—None employed. Kingston—$110 per month, plus 17 per cent C.L.B. Ottawa—$100 per month, plus 17 per cent C.L.B.

2. Yes. The higher rate at Kingston was approved by the National War Labour Board on December 28, 1943, on representation being made that the rate of $100 per month was considerably less than the prevailing rate in the Kingston area.

GRAND FALLS, N.B., PUBLIC BUILDING—CARETAKER

Mr. HATFIELD:

1. Who was the caretaker of the federal public building at Grand Falls, New Brunswick, during April, May and June, 1943?

2. What remuneration did he receive for his services?

3. Is he now holding the same position? If not, why not?

4. What is the name of the present caretaker, and what remuneration does he receive?

Mr. FOURNIER (Hull):

1. D. J. Collins (temporarily employed to replace the regular caretaker who was granted military leave of absence from March 3, 1943).

2. $510 per annum.

3. He is not now holding the position, having resigned August 19, 1943, as he was dissatisfied with the remuneration he received.

4. The present caretaker is Mr. J. O. Gagnon, regular incumbent of the position, who returned to his duties as caretaker on November 1, 1943, after being discharged from the Military Forces. His remuneration is $1,260 per annum less $300 per annum for the use of living quarters.

NOTE: The position of caretaker of the public building at Grand Falls, N.B., was reclassified in 1941 by the civil service commission at a remuneration of $510 per annum. This new classification will not be applied to Mr. Gagnon who was appointed prior to the above reclassification of caretakers' positions, but will be applied to any temporary appointee in the position or to a new regular appointee at some future date.

COLD STORAGE—SUBSIDIES

Mr. HANSON (Skeena):

1. How many government-subsidized cold storages are there in Canada?
2. What is the total subsidy paid to such cold storages by the dominion government?
3. What is the number of government-subsidized cold storages in each province, and the names of places where located?
4. What are the names of firms and individuals, if any, to whom subsidies have been granted, giving each province separately?
5. Are there any applications for new grants at the present time? If so, from whom?

Mr. GARDINER:

1. 107.
2. $3,083,773.03.
3. See lists below.
4. See lists below.

5. New Brunswick: Saint John, Municipality of city and county.

Ontario: Aldershot, Aldershot Distributing Cooperative Co. Ltd. (3); Blenheim, Kent Fruit Growers Cooperative Ltd. (2); Dixie, Dixie Growers Cooperative Ltd.; St. Thomas, Elgin Growers Cooperative Ltd. (3).

Manitoba: Winnipeg, Winnipeg Cold Storage Co. Ltd. (2).

Alberta: Edmonton, Edmonton Cold Storage Co. Ltd.

British Columbia: Kelowna, Okanagan Packers Coop. Union (2); Okanagan Centre, Okanagan Valley Land Co. Ltd. (2); Oliver, Southern Cooperative Exchange; Westbank, Westbank Cooperative Growers Assn.; Westbank, Westbank Orchards.

Province	No. of warehouses	Refrigerated space	Approved cost total	Subsidy paid
Prince Edward Island	6	264,666	$ 134,101 27	$ 39,774 56
Nova Scotia	12	2,424,740	2,803,994 70	831,918 17
New Brunswick	4	1,032,495	357,274 13	107,182 24
Quebec	10	447,269	442,916 44	132,874 93
Ontario	33	4,310,285	2,120,280 92	630,060 27
Manitoba	4	1,686,048	1,063,965 38	319,189 59
Saskatchewan	4	441,868	268,707 00	80,612 10
Alberta	2	315,339	242,000 00	72,600 00
British Columbia	32	8,029,256	2,898,537 43	869,561 17
Totals	107	18,951,966	10,331,777 27	3,083,773 03

Prince Edward Island

Name	Location	Refrigerated space	Approved total	Subsidy total
Central Creameries Limited	Charlottetown	31,216	$ 46,005 70	$ 13,801 71
Island Cold Storage Company	Charlottetown	200,000	50,000 00	15,000 00
Champion Brothers	Kensington	13,464	12,000 00	3,600 00
Wiltshire Dairying Company	N. Wiltshire	3,420	3,427 75	1,028 32
O'Leary Dairying Co. Ltd.	O'Leary	12,358	16,970 23	5,091 06
Park Corner Creamery & Cold Storage	Park Corner	4,208	5,697 59	1,253 47

Nova Scotia

Berwick Fruit Company	Berwick	204,000	$ 47,707 44	$ 14,312 23
Banner Fruit Company	Bridgetown	52,850	21,250 00	6,375 00
Grand Pre Fruit Company	Grande Pre	88,433	33,187 34	9,956 00
Port Williams Fruit Co. Ltd.	Greenwich	82,100	36,800 00	11,040 00
N.S. Public Fish C.S. Terminals	Halifax	1,148,000	2,067,617 76	620,285 32
K. L. Pineo Ltd.	Kentville	84,150	32,000 00	8,320 00
Lockeport Cold Storage Co.	Lockeport	59,940	56,850 18	17,055 05
Cape Breton Cold Storage Co. Ltd.	North Sydney	210,000	195,068 22	58,520 46
Halifax Cold Storage Co.	Port Hawkesbury	37,960	40,386 69	9,115 99
Leonard Fisheries Ltd.	Port Hawkesbury	338,550	200,000 00	52,000 00
Pictou County Dairy Co. Ltd.	Stellarton	27,757	47,042 07	14,112 62
Wolfville Fruit Company	Wolfville	91,000	36,085 00	10,825 50

New Brunswick

New Brunswick Apple Exchange	Fredericton	63,300	$ 24,320 99	$ 7,296 30
Moncton Cold General Storage Co.	Moncton	188,034	140,376 14	42,112 84
New Brunswick Cold Storage Co.	Saint John	744,000	167,000 00	50,100 00
Imperial Products Co. Ltd.	Woodstock	37,161	25,577 00	7,673 10

Name	Location	Refrigerated space	Approved total	Subsidy total
Quebec				
Eloi Cote	Chicoutimi	8,220	$ 12,000 00	$ 3,600 00
Utilities Publiques Provinciales	Chicoutimi	33,631	32,129 12	9,638 74
Hemmingford Fruit Growers Coop	Hemmingford	50,000	18,000 00	5,400 00
J. H. Sansregret	Joliette	23,394	22,444 10	6,733 23
La Sarre Creamery	La Sarre	3,040	8,000 00	2,400 00
Cooperative Federee de Quebec	Montreal	8,000	8,000 00	2,400 00
Cooperative Federee de Quebec	Quebec	66,100	90,000 00	27,000 00
Dominion Fish & Fruit Co	Quebec	225,000	222,843 22	66,852 96
Cooperative Federee de Quebec	Rimouski	19,164	17,000 00	5,100 00
Joseph Alfred Landry	Rivière-du-Loup	10,720	12,500 00	3,750 00
Ontario				
Aldershot Distributing Coop. Co	Aldershot	225,298	$ 100,608 12	$ 30,182 44
Kent Fruit Growers Coop. Ltd	Blenheim	71,500	25,200 00	7,560 00
Brantford Cold Storage	Brantford	36,000	29,600 00	8,880 00
Whyte Packing Company	Brockville	106,000	52,000 00	15,600 00
McGeachey's City Dairy	Chatham	50,000	19,350 00	5,031 00
Wilson Company Ltd	Chatham	144,400	53,741 45	16,122 43
W. L. Hamilton	Collingwood	27,800	11,342 84	3,402 85
Lambton Growers Cold Storage Co	Forest	52,000	15,000 00	4,500 00
Wellington Produce Company	Harriston	57,069	38,877 30	11,663 19
Kingston Cold Storage	Kingston	17,169	18,725 00	5,617 50
Flavelles Limited	Lindsay	131,510	53,000 00	15,900 00
Meaford Fruit Canning Co	Meaford	36,000	26,771 62	8,031 49
Whyte Packing Company	Mitchell	30,600	21,000 00	6,300 00
R. H. Ashton	Morrisburg	31,000	22,071 88	6,621 56
Temiskaming Producers Coop. Co. Ltd	New Liskeard	3,200	7,000 00	2,100 00
Lemon Brothers	Owen Sound	33,600	20,000 00	6,000 00
Palmerston Cold Storage Co	Palmerston	169,984	35,000 00	5,250 00
W. Scott Company Ltd	Peterborough	48,000	14,500 00	4,350 00
Prince Edward Co. Fruit Growers	Picton	245,500	110,080 77	33,024 23
J. D. Moore Company	St. Mary's	105,000	36,019 62	10,805 88
Elgin Growers Cooperative Ltd	St. Thomas	150,000	56,980 27	17,094 08
St. Thomas Cold Storage Co	St. Thomas	174,141	123,700 00	37,110 00
Algoma Produce Company	Sault Ste. Marie	55,806	32,767 00	9,830 10
Norfolk Fruit Growers Association	Simcoe	577,492	239,000 00	71,700 00
Middlesex Growers Cooperative	Strathroy	114,000	56,148 57	16,844 58
Thedford Cold Storage Company	Thedford	423,000	86,036 81	25,811 04
Georgian Bay Fruit Growers Ltd	Thornbury	164,800	81,815 26	24,544 58
United Farmers Cooperative Co	Toronto	68,000	86,600 00	25,980 00
Trenton Cooperage Mills Ltd	Trenton	166,446	50,919 41	15,275 82
Trenton Cold Storage Co	Trenton	347,000	188,000 00	56,400 00
Federal Warehouse Co. Ltd	Windsor	209,670	332,725 00	99,817 50
Windsor Ice & Coal Co	Windsor	67,300	30,000 00	9,000 00
Oxford Fruit Cooperative Ltd	Woodstock	171,000	45,700 00	13,710 00
Manitoba				
Brandon Creamery & Supply Co	Brandon	27,500	$ 32,000 00	$ 9,600 00
Manitoba Cold Storage Co. Ltd	Winnipeg	750,000	602,987 19	180,896 13
North Star Cold Storage	Winnipeg	108,548	79,144 00	23,743 20
Winnipeg Cold Storage Co. Ltd	Winnipeg	800,000	349,834 19	104,950 26
Saskatchewan				
Moose Jaw Cold Storage Co	Moose Jaw	189,764	$ 90,000 00	$ 27,000 00
Sask. Co-operative Creameries Ltd	Regina	100,672	48,257 00	14,477 10
Sask. Co-operative Creameries Ltd	Saskatoon	127,432	108,000 00	32,400 00
Sask. Co-operative Creameries Ltd	Vonda	24,000	22,450 00	6,735 00
Alberta				
Merchants Cold Storage Company	Calgary	164,715	$ 90,000 00	27,000 00
Edmonton Cold Storage Company	Edmonton	150,624	152,000 00	45,600 00

British Columbia

Name	Location	Refrigerated space	Approved cost total	Subsidy total
Creston Co-op. Fruit Exchange	Creston	191,200	$ 29,784 90	$ 8,935 47
Farmers Cold Storage Co. Ltd.	Hatzic	52,405	55,000 00	16,500 00
Kaleden Co-op. Growers Association	Kaleden	260,000	57,619 83	17,285 94
Crown Fruit Company	Kelowna	104,800	16,875 56	5,062 66
Kelowna Cold Storage Ltd.	Kelowna	210,000	34,218 54	10,265 56
Kelowna Growers Exchange	Kelowna	300,000	53,582 75	16,074 82
Occidental Fruit Company Ltd.	Kelowna	530,000	58,065 74	17,419 72
Okanagan Packers Limited	Kelowna	80,000	32,000 00	9,600 00
Keremeos Growers Co-op. Association	Keremeos	412,236	44,150 02	13,245 00
Naramata Co-op. Growers Ass'n.	Naramata	234,000	36,077 00	10,823 10
Kootenay Co-op. Storage Association	Nelson	11,100	22,532 96	6,759 88
Pacific Coast Terminals	New Westminster	750,600	1,189,216 95	356,765 08
Okanagan Valley Land Co. Ltd.	Okanagan Centre	79,223	20,301 18	6,090 35
Haynes Co-op. Growers Exchange	Oliver	110,520	12,914 00	3,874 20
Oliver Co-op. Growers Exchange	Oliver	272,160	44,472 32	13,341 70
Osoyoos Co-op. Fruit & Veg. Growers	Osoyoos	163,800	23,300 00	6,990 00
James Kirkpatrick	Penticton	32,164	33,000 00	9,900 00
Penticton Co-op. Growers Association	Penticton	441,270	69,253 88	20,776 16
Pyramid Co-operative Association	Penticton	85,750	15,000 00	4,500 00
Maple Ridge Co-op. Produce Exch.	Port Hanney	11,205	6,594 00	1,978 20
Canadian Fish & Cold Storage Co.	Prince Rupert	781,000	350,000 00	105,000 00
Northern Fishermans Cold Storage	Prince Rupert	161,696	100,000 00	30,000 00
Kelowna Growers Exchange	Rutland	590,254	60,570 46	18,171 14
Salmon Arm Farmers Exchange	Salmon Arm	390,300	68,068 49	20,420 55
Turner R. & Sons	Salmon Arm	27,735	8,414 74	2,524 42
Summerland Co-op. Growers Ass'n.	Summerland	580,000	96,015 31	28,804 59
Vancouver Ice & Cold Storage Co.	Vancouver	211,153	100,000 00	30,000 00
Howe, A. T. Orchards Ltd.	Vernon	62,000	15,777 92	4,733 37
Inland Ice & Cold Storage Co.	Vernon	312,500	75,000 00	22,500 00
Vernon Fruit Union	Vernon	331,185	69,730 88	20,919 26
B. Wilson & Company	Victoria	64,000	75,000 00	22,500 00
B.C. Fruit Shippers Ltd.	West Summerland	185,000	26,000 00	7,800 00

CONSCIENTIOUS OBJECTORS—RED CROSS

Mr. WINKLER:

1. Has an arrangement been made whereby conscientious objectors to service in the armed forces are required to sign a contract to pay certain amounts monthly to the Red Cross?

2. If so, when, and how many are paying into this fund?

3. What are the maximum and minimum amounts paid monthly by conscientious objectors?

4. Has any accounting been given to the Red Cross? If so, when?

5. By months, how much has been paid in the past three months?

Mr. MARTIN:

1. Postponed conscientious objectors, other than those directed to alternative service work camps for employment, may be required to enter into an arrangement whereby a portion of their earnings is deposited in a chartered bank by their employers to the credit of the Canadian Red Cross Society. No alternative service worker, unless he be self-employed, undertakes to deposit any amount directly to the credit of the Canadian Red Cross Society. The normal procedure is that the employer is selected by the alternative service officer. This employer is then asked to enter into an undertaking to which the alternative service worker must agree unless he is prepared to accept employment in an alternative service work camp. The arrangement regarding employment is that the earnings of the alternative service worker shall be at the rate of the going wages for the work done. From the earnings certain statutory wages, living allowances and deductions are made and, at the discretion of the alternative service officer, dependents' allowances may be granted. The amount the Canadian Red Cross Society receives is that balance which the employer undertakes to deposit at a chartered bank after a district treasury officer has certified that the earnings and deductions are proper and in accordance with the agreement.

2. 3,906 as of February 29, 1944. Payments are made monthly.

3. Neither maximum nor minimum payments have been fixed. The amount payable to the Canadian Red Cross Society is a balance of earnings after certain deductions have been made. In the case of industrial workers earnings vary from month to month. Where a fixed monthly amount represents earnings, the balance paid is more regular but again depends

on special allowances or deductions for the maintenance and health of the postponed conscientious objector.

4. Chartered banks advise the Canadian Red Cross Society as each payment is received.

5. December, 1943, $58,701.11; January, 1944, $66,444.46; February, 1944, $62,758.82.

PURCHASE OF FLOUR BY DISTRIBUTORS OF FEED

Mr. LACOMBE:

1. Is there a wartime prices and trade board order No. 302?

2. Has this order dispensed with the obligation on the part of distributors of feed, such as bran and groats, to purchase, together with such by-products, a certain quantity of flour from flour mills?

3. If so, is such order complied with?

Mr. ABBOTT:

1. Yes. Wartime prices and trade board Order No. 302 as amended by board order No. 359 prohibits any seller selling goods and services from imposing on a buyer an obligation to buy more goods or services than he wishes to buy or to buy other goods and services in addition to those he wishes to buy, unless the seller had established a similar trade practice during the basic period. The amended order also gives an administrator of the board the power to issue an order, countersigned by the chairman of the board, requiring any seller to vary or discontinue any trade practice established during the basic period. On January 21, 1944, the administrator of flour and cereal products formally ordered flour millers selling mill feeds, commercial feeds, grain or chops, to discontinue, as condition of selling such feeds, imposing any obligation on a buyer to purchase other goods.

2. No. 1 answers No. 2.

3. The order of the administrator of flour and cereal products is being enforced in the same manner that all other regulations of the board are enforced.

CORONATION OF H.M. THE KING—CANADIAN REPRESENTATIVES

Mr. ROY:

1. How many persons attended the coronation of His Majesty King George VI at the expense of the Canadian government?

2. Who were these persons, and in what capacity did they attend?

3. What amount was paid by the state for each of them?

Mr. MACKENZIE KING: Inquiries for the information sought in this question were made on several occasions during the session of 1938 and the first session of 1939. The details which are requested can be found in the following sessional papers: No. 171, March 7, 1938; No. 171A, April 6, 1938; No. 171B, May 3, 1938; No. 171C, May 10, 1938; No. 124, February 3, 1939.

CENSORSHIP—MEETING AT QUEBEC ON MARCH 12, 1944

Mr. LaCROIX (Quebec-Montmorency):

1. Has the dominion censorship silenced the press as to the report of a letter read and speeches delivered at a meeting held in the Palais Montcalm, Quebec, on March 12, 1944?

2. If so, for what reasons?

Mr. LaFLECHE: No.

*IMMIGRATION

Mr. DORION:

How many municipal corporations and public bodies have forwarded to the Prime Minister resolutions requesting the full application of the provisions of the Immigration Act with regard to any individual who wishes to enter this country?

Mr. MACKENZIE KING: Mr. Speaker, I am informed that there have been forwarded to my office a large number of resolutions on the subject referred to. The resolutions are similarly worded. It is perfectly evident some one or more persons have been circulating communications with a view to having them forwarded to my office. The question is of the kind which, were it to be answered literally, might convey a wholly erroneous impression. For example, I might say I have received thousands of communications identically worded concerning some things—the postage being free. Were I asked to recall how many of these had been received, and were to say that thousands had come in, such an answer would be wholly misleading. For the most part they would represent the opinions of a mere handful of persons. There have not been thousands in this case, but an answer as to the number that have come in would be misleading the public as to the significance of the reply given. I think therefore that the question should not be answered.

Question dropped.

DUNDURN, SASK., MILITARY CAMP

Mr. BENCE:

How many officers and men were stationed at Dundurn military camp, Saskatchewan, on the 1st day of March, A.D. 1944?

Mr. MACDONALD (Halifax): As at March 8, 1944, the nearest date to March 1, 1944, on which a strength return was rendered to National Defence headquarters: Officers, including nursing sisters, 154; other ranks, including C.W.A.C., 1,525.

QUESTIONS PASSED AS ORDERS FOR RETURNS

CONSCIENTIOUS OBJECTORS

Mr. DOUGLAS (Weyburn):

1. What are the names, home addresses and ages of all persons held in detention under military authority for refusing to bear arms on grounds of conscientious objections up to January 31, 1944?

2. Where are each of these individuals located at the present time, and for what period of time are they to be under detention?

3. How many of these individuals applied to the mobilization board for status as conscientious objectors?

Mr. MACDONALD (Halifax): Return tabled.

SELECTIVE SERVICE—UNEMPLOYMENT INSURANCE

Mr. MacINNIS:

1. How many selective service and unemployment insurance offices are there in the province of British Columbia?

2. Where are they located?

3. What is the grade of each of these offices?

4. What are the names and position of each employee?

5. What are the salary ranges and other remuneration, if any, for each of the positions or class of positions?

6. How many of the employees are returned soldiers, (a) of the last war; (b) of the present war?

7. How many of said employees were appointed to their positions by the civil service commission?

8. How many were appointed by governor in council?

Mr. MITCHELL: Return tabled.

AGRICULTURE DEPARTMENT—UNIVERSITY GRADUATES

Mr. NICHOLSON:

1. How many university graduates employed by the Department of Agriculture, receiving salaries from $2,000 to $2,400, have been engaged by the department, (a) less than 5 years; (b) 5 to 10 years; (c) 10 to 20 years; (d) more than 20 years?

2. How many university graduates employed by the Department of Agriculture, receiving salaries less than $2,000, have been engaged by the department, (a) less than 5 years; (b) 5 to 10 years; (c) 10 to 20 years; (d) more than 20 years?

FLUID MILK SUBSIDY

Mr. CASTLEDEN:

1. What districts in Canada have been receiving the 25 cents per hundred pounds subsidy for fluid milk?

2. What was the total amount paid out in subsidies for fluid milk in each month from May 1, 1943, to December 31, 1943?

3. In how many cases has action been taken to insure to the producer the receipt of this bonus?

[Mr. W. C. MacDonald.]

INDIANS

Mr. NICHOLSON:

1. What is the total Indian population in Canada according to the 1941 census?

2. How many Indians are paid treaty money?

3. What is the annual payment to each Indian receiving treaty money?

4. How many medical doctors have been assigned to serve Indian communities exclusively?

5. What were the total expenditures made for Indian education by the federal government for the last fiscal year?

6. What was the death rate from tuberculosis per hundred thousand among the Indians for the last year for which statistics are available?

7. What was the death rate from tuberculosis per hundred thousand in Canada, excluding the Indian population, for the same year?

MOUNT PLEASANT, P.E.I., AIRFIELD

Mr. NOSEWORTHY:

1. From whom did the government acquire the property on which the Prince Edward Island, Mount Pleasant airfield is built?

2. What was the purchase price of the property?

3. Did the government at the time it purchased this property own or hold a lease on other property in the vicinity of Mount Pleasant?

4. If so, what disposition has been made of said property?

5. What is the total construction cost of Mount Pleasant airfield?

6. What quantity of gravel has been used in preparing the site, and at what cost?

PATTERSON STEAMSHIP COMPANY—ACQUISITION OF SHIPS

Mr. ROSS (Souris):

1. Having reference to the acquisition of the following six ships from the Patterson Steamship Company, viz., *Coteaudoc, Farrandoc, Ganandoc, Lachinedoc, Soreldoc,* and the *Wellandoc,* how was the valuation arrived at?

2. Was it by arbitration? If so, who was the arbitrator?

3. If by direct negotiations, who acted, (a) for the Patterson Steamship Company; (b) for the government of Canada?

4. Having reference to return No. 210, were the following seven Canadian ships, viz., the *Mondoc, Novadoc, Portadoc, Prescodoc, Sarniadoc, Torondoc,* and the *Troisdoc,* reported as lost by enemy action, under charter to the government of Canada or to the government of any of the united nations? If so, to whom were they chartered, and by whom was such chartering negotiated ?

5. Having reference to return No. 210, (a) was the rate of hire of $125 per day for each vessel, viz., the *Collingdoc, Kenordoc,* and the *Portadoc,* fixed on a "bare boat" basis? If not, on what basis; (b) what was the insurable value placed on each ship in the event of loss; and (c) in the negotiations for the requisitioning of said ships, what was the agreed value of each ship?

LEGAL SERVICES—WESTERN PROVINCES

Mr. BENCE:

What legal counsel or solicitors in Manitoba, Saskatchewan and Alberta have received payment for legal services rendered to the federal government, and what sum has been paid to each during the year 1943?

MOTIONS FOR PAPERS

JACQUES CARTIER INDIAN RESERVE

Mr. GAUTHIER:

For a copy of all letters and telegrams exchanged between the Department of Mines and Resources and any person or persons from February 1, 1936, to this date, pertaining to the lease and sale of Jacques-Cartier reserve, Pont-Rouge, county of Portneuf.

TOBACCO CROP OF 1942 AND 1943

Mr. NOSEWORTHY:

1. For a copy of all letters, communications, reports or other documents between the wartime prices and trade board, or any other government board or department and any association of tobacco growers or official thereof, pertaining to the sale of the 1942 and 1943 Ontario tobacco crop.

2. A copy of all orders in council or any orders or regulations issued by the wartime prices and trade board pertaining to the sale of the 1942 and 1943 Ontario tobacco crop or any portion thereof.

3. A copy of all letters, communications, reports or other documents between the Imperial Tobacco Company or any subsidiary or official thereof and the wartime prices and trade board or any other government board or department pertaining to the disposal of the 1942 and 1943 tobacco crop or any portion thereof.

4. A copy of all letters, communications, reports or other documents between the wartime prices and trade board or any other government board or department and the tobacco marketing board pertaining to the disposal of the 1942 and 1943 tobacco crop or any portion thereof.

Mr. GIBSON: Mr. Speaker, this motion would require the copying of a very large number of routine returns filed with the excise division of the Department of National Revenue. I have arranged with my hon. friend to make these returns available to him so that he may indicate what returns, if any, he desires to have filed. I understand that is satisfactory to him.

Mr. SPEAKER: Stand?

Mr. GIBSON: No, carried with that provision.

GEOLOGICAL SURVEYS IN QUEBEC

Mr. DORION:

For a copy of all telegrams, letters, correspondence, reports, petitions and other documents exchanged between the government of the province of Quebec and the dominion government since 1920 concerning geological surveys, (a) in the province of Quebec; (b) in the county of Charlevoix-Saguenay; (c) in the Gaspe peninsula.

ALCOHOLIC BEVERAGES

Mr. ROSS (St. Paul's):

For a copy of all letters, telegrams or communications between the government of Canada, its ministers or officials and the governments of each of the nine provinces of Canada, their ministers or officials, during the period from September, 1942, and March 16, 1944, having reference to, (a) dominion-provincial conference, and (b) the limiting of release for sale of beer and other alcoholic beverages, as set forth in the order in council of December 16, 1942, and known as the wartime alcoholic beverages order.

CAMP HILL HOSPITAL, HALIFAX

Mr. ISNOR:

For a copy of all correspondence, letters, telegrams, reports and other documents in the possession of the Department of Pensions and National Health, exchanged during the past twelve months between the city of Halifax, Nova Scotia, and the said department or any other department of the government, respecting the acquiring of land, either by transfer or purchase, to be used in connection with a proposed addition to Camp Hill hospital.

Mr. MACKENZIE (Vancouver-Centre): Return tabled.

INTERNMENTS—CAMILLIEN HOUDE

Mr. LACOMBE:

For a copy of all correspondence, telegrams, reports of enquiry before any advisory committee, evidence and letters exchanged between any individual or groups of individuals and the government in relation to the internment of Mr. Camillien Houde, and all petitions for the release of Mr. Houde, since the 4th of August, 1940.

Mr. ST. LAURENT: This is a motion calling for the production of papers relating to the internment of a person who is being detained under the Defence of Canada regulations. Since those regulations have been in force it has been the invariable practice to treat all such documents as confidential, and it is for that reason, and for reasons similar to those given just a week ago when a similar motion was before the house, that I must object to the production of these documents.

Motion dropped.

PENSIONS—OLD AGE AND BLIND

Mr. KNOWLES:

For a copy of all correspondence dated since January 1, 1943, between the federal government and the governments of the several provinces and/or the provincial pension authorities, relating to the filing of liens against the property of old age and blind pensioners; also

for a copy of all correspondence between the same dated since January 1, 1943, relating to the interpretation of subsections (2) and (3) of section 9 of the Old Age Pension Act.

Mr. RALSTON (Acting Minister of Finance): I would ask the hon. member to allow this motion to stand. I have noticed it only now, and I have not had an opportunity to have a word with the officials of the department about it.

Motion stands.

CANADIAN FORCES—CHAPELS

Mr. POULIOT:

For a copy of all correspondence exchanged between the national Catholic lay committee and the government for the purpose of pushing forward at the earliest possible date the building of chapels for the spiritual ministrations of our armed forces whether of the army, the navy or the air force.

OFFICIAL CUSTODIAN OF ENEMY PROPERTIES—RECOMMENDATIONS OF MCPHEE COMMITTEE

Mr. BENCE:

For a copy of the recommendations of the advisory committee, headed by Judge G. W. McPhee, appointed to recommend the mode and manner of release by the official custodian of properties disposed of by the official custodian.

MILK

PROTESTS AGAINST REDUCTION IN BONUS ON FLUID MILK

On the orders of the day:

Mr. E. E. PERLEY (Qu'Appelle): Mr. Speaker, I should like to ask a question of the Minister of Agriculture. I have received two letters, which I hold in my hand, from the fluid milk shippers in the district east of Regina, along the main line of the Canadian Pacific Railway.

These letters report that meetings have been held protesting against the action of the minister in February last in reducing the bonus on fluid milk from 55 to 35 cents. I understand also that a delegation has awaited on the minister. Will the minister state whether any consideration will be given to these requests?

Mr. SPEAKER: That is a question that should be placed upon the order paper.

Mr. PERLEY: I consider it urgent because it affects the producers in the west of a very important product. They want to know what is going to happen.

[Mr. Knowles.]

WHEAT

PARTICIPATION CERTIFICATES, 1940-41 AND 1942 CROP DELIVERY

On the orders of the day:

Mr. J. A. ROSS (Souris): Mr. Speaker, further to the reply given to my question on February 11, 1944, as reported on page 377 of *Hansard*, that payments on the 1940 wheat participation certificates will be started in March, I should like to ask the Minister of Trade and Commerce if he is now able to say how much per bushel will be paid on participation certificates, 1940-41 and 1942.

Mr. SPEAKER: I think that is a question that should be placed upon the order paper.

Mr. ROSS (Souris): The matter of participation certificates is of urgent importance to many producers in making financial arrangements for their spring operations. I sent notice of this question to the minister, and I believe he is prepared to make a statement, if Your Honour will permit.

Mr. SPEAKER: Ordinarily a question of this kind should be placed on the order paper. Hon. members seem to be of the opinion that a notice to a minister is sufficient to take the question out of the rule which I have been endeavouring to uphold.

Mr. ROSS (Souris): It is rather important just now.

Mr. SPEAKER: I would point out to the minister that the practice which has obtained in asking questions may be abused also in respect of answers. However, he may reply on this occasion if he so wishes.

Hon. J. A. MacKINNON (Minister of Trade and Commerce): The information asked for is partly included in the answer filed by me this afternoon in reply to a question asked by the hon. member for Maple Creek (Mr. Evans).

WHEAT BOARD—QUESTION AS TO ACTION IN COURTS FOR ACCOUNTING

On the orders of the day:

Mr. E. E. PERLEY (Qu'Appelle): On Friday last I directed a question to the Minister of Trade and Commerce asking whether any action has been brought in the courts against the Canadian wheat board for an accounting. The minister stated that he would take the question as notice.

Hon. J. A. MacKINNON (Minister of Trade and Commerce): Yes.

Mr. PERLEY: Will the minister say when he will report on it?

Mr. MacKINNON (Edmonton West): I expect to file a reply within a day or two, or very shortly.

HOUSING

EVICTIONS ON MAY 1 NEXT—RIGHTS OF OWNER AND TENANT

On the orders of the day:

Mr. M. J. COLDWELL (Rosetown-Biggar): I should like to direct a question to the acting Minister of Finance or to his parliamentary assistant, to whom I sent notice of the question this morning. Have any steps been taken to protect families faced with eviction from their homes on May 1 next, particularly some 1,200 families in the city of Montreal where the situation is very bad and where, I am told, over 2,000 families are already living in empty stores and insanitary buildings, including converted stables?

Mr. SPEAKER: The parliamentary assistant may desire to have an opportunity to reply later.

Mr. COLDWELL: This matter is urgent. There is only one month to go before these people must get accommodation.

Mr. SPEAKER: The question should be placed upon the order paper, but if the parliamentary assistant thinks it should be answered and he desires to answer now, he may do so.

Mr. D. C. ABBOTT (Parliamentary Assistant to the Minister of Finance): My hon. friend was good enough to give me notice of his question and I am prepared to answer it.

Mr. SPEAKER: I would point out that the giving of a notice of a question does not necessarily mean that it should be answered on the orders of the day.

Mr. ABBOTT: Mr. Speaker, I think at the outset in answering my hon. friend's question I should make it clear that Canada has gone very far in restricting the rights of landlords to get possession of their own property, possibly farther than any other united nation. Six months' notice is now the general rule, eviction being impossible during the winter months. Owners may obtain possession only for their own use or for their immediate family. In multiple family dwellings, tenure is even more secure, an owner being unable to get possession unless he is now living in rented accommodation elsewhere or is living in a single dwelling, and then he may obtain possession only for his personal use.

In greater Montreal, which is the area to which my hon. friend referred in his question, the leasehold regulations of the wartime prices and trade board have had the effect of giving security of tenure to a very high proportion of tenants. It is estimated that 86 per cent of the population, or 220,000 families, live in multiple family dwellings in the Montreal area. I might point out that in normal times, something like 50,000 of these flats change hands on May 1 in each year. Last year, largely as a result of the regulations, this large movement was reduced to about 12,000, and this year, by reason of the order relating to multiple family dwellings to which I have already referred, eviction notices have been received by only 1,258 tenants in multiple family dwellings.

In spite of all that has been done, it is regrettably true that there will be cases of individual hardship. This seems unavoidable when people are shifting about in great numbers and labour and materials are in short supply. Moreover, the imposition of further restrictions would not eliminate hardship. Indeed, it is certain that further restrictions, such as, for example, the freezing of all leases, which has been suggested, would create new hardships though perhaps for different individuals. Many owners have acted in good faith on the strength of the present regulations and have made arrangements to vacate their present accommodation in the expectation of being able to get possession of their own homes on May 1 next. The house will realize that each of these transactions is a link in a chain of other arrangements which would be disturbed by further changes in the regulations.

It is inevitable that under conditions of wartime congestion a certain number of citizens of Montreal, as well as elsewhere, may find it necessary to make temporary or emergency arrangements for accommodation. On the whole, however, by the various regulations to which I have referred the scope of the problems has been reduced until it is now in reality a local condition which concerns a comparatively limited number of citizens. The wartime prices and trade board has had the situation under review at all times and has come to the conclusion that it would be inadvisable at this time to impose further restrictions on owners of property in order to meet local conditions. After care-

ful consideration and consultation with the board, the government agrees with the board's decision.

The house will appreciate that in the restrictive orders already in effect, the dominion government has gone far in interfering with ordinary rights as between owner and tenant, which, except for wartime emergency powers, would be beyond its constitutional authority.

A delegation representing a group of Montreal tenants was in Ottawa last week and submitted certain recommendations, and the Acting Minister of Finance has to-day written to the head of this delegation along the lines which I have indicated in answering my hon. friend's question.

LABOUR CONDITIONS

CLARK RUSE AIRCRAFT, LAKEBURN, N.B., AND DARTMOUTH, N.S.

On the orders of the day:

Mr. CLARENCE GILLIS (Cape Breton South): Mr. Speaker, I should like to address a question to the Minister of Munitions and Supply. Over the week-end I have received telegrams from the unions which function in the Clark Ruse aircraft plants in Lakeburn, New Brunswick and Dartmouth, Nova Scotia. It would appear that general lay-offs are taking place at these plants, to such an extent that it would lead one to believe that the plants are being closed. The telegrams protest that discrimination is being shown in the lay-offs in that ex-service men of the present war are being laid off while those eligible for military service but who have obtained deferments are being retained. There have been a number of protests and the telegrams are quite long. Has the minister any knowledge of the situation and what are the prospects of these plants continuing in full production?

Hon. C. D. HOWE (Minister of Munitions and Supply): The Clark Ruse plants were built for the overhaul of damaged aircraft and are not suitable for any other type of work. The level of work in the plants is proportionate to the number of planes damaged, and I am happy to say that that number is not as great under present operating conditions as it was at one time. There have been lay-offs in personnel as the volume of work has dropped. The Minister of Labour will be able to give my hon. friend the facts.

[Mr. Abbott.]

Hon. HUMPHREY MITCHELL (Minister of Labour): I do not know whether my hon. friend received the same telegrams that I and many other members of the house received, but possibly they are all from the same individuals. On Friday last this same question was asked by the hon. member for York West (Mr. Adamson). May I say in reply to the hon. member for York West that if the wide ramifications of selective service and the other agencies under the Department of Labour were made use of it would be unnecessary for many questions to be answered on the orders of the day. Requests for information are sometimes received from individuals who have no particular standing in the organization concerned or who, in this case, may have nothing to do with the particular lay-offs. I want to say frankly to my hon. friend that I have no objection to answering any question, even of the awkward type, provided that we have been given notice. It may be shown that the department is at fault, and this is the place where we should be put right.

On March 16 the Department of Munitions and Supply notified the Department of Labour that approximately 500 men would be laid off beginning March 20. Arrangements immediately were made to deal with the situation. Men who have been postponed from military service and do not have special skills will be called up for the army.

A survey already has been completed in this connection. As a result it has been ascertained that 111 men will be called for army service, of whom it is anticipated most will be acceptable. Postponement of 18 will be continued because they have special skills, and 109 others are in designated age groups but are not acceptable for army service on medical grounds. The lunch room at the plant has been taken over by the manager of the Halifax national selective service office and 15 of his staff, and they are interviewing those laid off and placing them in other jobs. Up to March 25, 376 had been laid off, but 174 have already been placed in new jobs, six have gone back to their farms, ten married women have returned to their homes. I stated that approximately 111 will be called to the army. This leaves 75 who are in the process of being placed. The manager of our Halifax office anticipates no difficulty in placing men almost as quickly as they are laid off.

A representative of the Victory Aircraft company of Toronto is at the plant, and men or women who are specially skilled and who wish to transfer are being assigned to this company and transportation provided.

In explanation of the telegram sent to members of parliament and to my department by J. C. Sim, recording secretary of the U.A.W. union, I am informed that none of the other executives of the union supports Mr. Sim in his views. This is the telegram which my hon. friend read in the house last week. In fact all of the arrangements in regard to placing men have been worked out in cooperation with union officials. It is passing strange that Mr. Sim is one of the men who is on postponement from military duty.

Yesterday I received a wire from the New Brunswick council of labour from Moncton, dated March 25, which I am mentioning because it may be that a similar wire was sent to hon. members of this house. This wire was to the effect that employees who belong to other parts of Canada are being retained by the Clark Ruse company while maritime people are laid off and offered positions in Ontario.

Following a telephone call to Halifax, advice was received that seniority was being followed in so far as the lay-off was concerned. Those who were going to Ontario were persons who because of their special skills had been offered work by Victory Aircraft company and accepted the offer because the terms were good and the work would give them an opportunity to gain further knowledge and skills.

The general plan being followed is that seven days' notice of lay-off has been given, during which period employees are paid by the company but do not work. It is during this period that placement in other jobs is made.

Personally, I think selective service is doing well in this particular placement work, and I welcome the opportunity of making this explanation to the house.

Mr. HANSON (York-Sunbury): I want to make one inquiry of the minister, if he will be good enough to go a little further than he has with respect to the Lakeburn situation. Is it true that the men who are being laid off are local residents of Moncton who own their homes there and who object to going to Ontario while Ontario men are retained at Lakeburn? These men have their domiciles and their homes there.

Mr. CRUICKSHANK: I thought the hon. member wanted total war.

Mr. HANSON (York-Sunbury): That is all right; I want total war, but I have to put forward the point of view which they put forward to me. I do not know anything about the facts. Probably the minister can ascertain them.

Mr. MITCHELL: I shall be glad to do so.

Mr. GILLIS: I have no intention of quarrelling with the minister concerning the administration of the regulations, but Sim, who represents the organization, makes the definite observation in that telegram that the text of his telegram is concurred in by national selective service officials in that area. The point I am concerned about—

Some hon. MEMBERS: Order.

Mr. GILLIS: I have just about finished. The point I am concerned about is, I question the Minister of Munitions and Supply—

Mr. SPEAKER: Order. The hon. member cannot discuss the terms of the telegram.

Mr. GILLIS: That is democracy!

WAR APPROPRIATION BILL

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

The house resumed from Friday, March 24, consideration in committee of a resolution to grant to His Majesty certain sums of money for the carrying out of measures consequent upon the existence of a state of war—Mr. Ilsley—Mr. Bradette in the chair.

DEPARTMENT OF MUNITIONS AND SUPPLY

The CHAIRMAN: Shall item 1 carry?

Mr. KNOWLES: I should like to revert to the question of synthetic rubber, particularly the set-up of the plant of Polymer Corporation at Sarnia. This is a matter in which there is considerable public interest and concerning which a great deal of information has been made available. Last year we had quite a discussion on it in the house, during which the Minister of Munitions and Supply spoke on Wednesday, June 16. Also last year a number of sessional papers were tabled which provided information on the subject. I refer in particular to sessional papers Nos. 388 and 303A. A number of orders in council respecting this plant have been tabled. There were four in 1942—P.C. 2369, P.C. 3177, P.C. 4252, and P.C. 10008, and there was also P.C. 2799 of April 8, 1943.

In addition to the information which has been brought down in the house, a great deal of publicity has been given the Polymer

plant by the press and by magazines. On Thursday, March 23, the matter was discussed again in this chamber and the minister contributed to the debate.

I believe the people of Canada as they get to know some of the facts of the situation will share the pride which the minister has in the Polymer plant. I enjoy the pride which the Minister of Munitions and Supply expresses from time to time in government owned projects. He is sometimes referred to, both by his friends and by his enemies, as the Tory of the present government; yet I know of no one who expresses greater pride in certain projects that are publicly owned. Take for example his attitude towards Trans-Canada Air Lines, which we all share, and his attitude towards the fact that this Polymer plant is owned by the Canadian people.

There is reason for that pride, first of all in the fact that the plant has been completed in rather a short time, considering the difficulties of construction in war time. There is also the fact that the Canadian people, through their government, have found a way to build a plant that will operate on a brand new process. This was not something that could simply be copied; a real pioneering job had to be done. We can also be proud of the fact that when the country was faced with dwindling supplies of rubber it was possible to get this plant into operation speedily enough to make up for the shortages of crude rubber.

I would add my congratulations to those already expressed to the engineers and technicians who designed this thoroughly integrated plant, and brought it into production in such a short time. Through the medium of this plant we have been able to make this very vital contribution to the war effort. Nevertheless I have certain misgivings for the future growing out of the set-up of the plant at Sarnia. I would call the attention of the minister and the committee to these circumstances. Before expressing any misgivings, however, I have tried to convey my feelings of pride, and to voice my commendation with regard to the building of the plant, in the hope that there will be no misunderstanding on that point.

My misgivings relate principally to the post-war period and in particular to the set-up of the plant in so far as it is being operated by private firms brought in by the government for this work. Publicity has been given to the fact that the plant is being operated in this way by the terms of order in council P.C. 2799 of April 8, 1943, and also by the remarks which the minister has made in the house. When I express my misgivings as to what is going to happen in the post-war period I want to make it clear that these misgivings are not those of the hon. member for Lake Centre (Mr. Diefenbaker). If I understood him correctly, the member for Lake Centre on Thursday of last week, and also in the remarks he made last year, was afraid that in the post-war period it would be against the interests of private enterprise for this plant to be continued as a government-owned project.

If I may say so, I feel that the hon. member does not fully understand the set-up. I cannot see that it is one that is in any way against the interests of private enterprise in the post-war period. On the contrary, my fear is that the set-up we have at the present time, if it is continued into the post-war period, is one that will result in the benefit of this government-financed, government-owned project accruing principally to private enterprise. I shall have something to say as I go along with regard to that set-up, as I see it from a study of the documents to which I have referred, and I should be glad if, some time during the debate, the member for Lake Centre would make clear what it is he would like to have done with the plant to make it more beneficial to private enterprise than it will be as it is now arranged.

As I have said, my fear with regard to the post-war period is that the benefit of the plant, in spite of the fact that it has been financed with public funds and is owned by the people, will accrue to private enterprise. The set-up, as the documents indicate, and as the minister has outlined, involves government ownership of the company known as Polymer Corporation Limited. The company to which I have referred has built the plant with government funds. The amount of money is between $45,000,000 and $50,000,000. The government took all the risks in connection with building of the plant in a field in which it was not possible to copy other plants in operation.

My own feeling about it is that the cost of construction has probably been kept down as well as it could under the circumstances. It is inevitable that the building of the first plant of this kind would cost more than the building of any subsequent plant. If there is any such greater cost in connection with the building of the first plant, the govern-

ment, on behalf of the people, has incurred this greater cost and in that sense has taken the risks of pioneering.

The total cost of the plant is being paid for out of the war appropriation. I do not find anywhere the suggestion that it is to be paid back out of some kind of depreciation later on. It is simply a charge against the war appropriation bill. Having built the plant with public funds and having taken all these risks, the government has then to consider the problem of operating it and producing synthetic rubber, the product for which it was set up. According to the order in council to which I have already referred, P.C. 2799 of April 8, 1943, the plant is being operated by three companies. First of all there is the St. Clair Processing Corporation. I understand that this company operates that part of the plant where butadiene is made from petroleum and also looks after miscellaneous services around the property. Secondly, there is the Dow Chemical Company of Canada Limited, which looks after that part of the plant which produces styrene from petroleum. The third company involved is the Canadian Synthetic Rubber Company, Limited, which, as the minister said the other day, operates the polymerization plant where the two principal elements, butadiene and styrene, are combined into buna-S rubber.

As hon. members know, these three companies, although they are incorporated specifically for the purposes I have indicated, namely, the operation of sections of the Polymer Corporation plant at Sarnia, are subsidiaries of other companies. The St. Clair Processing Corporation is a subsidiary of Imperial Oil Limited. Dow Chemical Company of Canada Limited is a subsidiary of the Dow Chemical Company of the United States, and Canadian Synthetic Rubber Company is a subsidiary owned by four Canadian rubber companies, sometimes referred to as the Big Four in the rubber industry—Goodyear, Goodrich, Firestone and the Dominion Rubber Company. It is these private corporations that have been called in to operate this government-financed and government-owned plant.

I should like to make a point here about our atittude towards this procedure. It is perfectly clear that the men connected with these private companies are the men who have had the experience and some knowledge of the processes involved. They were the men who should be called in to do this work. That is particularly true at a time such as this when we are calling on all our people to devote whatever abilities they may have to the tasks that must be performed in connection with the war. We are calling upon thousands of our young men to give of their services in the armed forces and in many cases to give their lives. It is only right and proper, therefore, that the men with the ability and the experience in the lines related to the production of synthetic rubber should be called in to do that particular job. The government would have been remiss had it not called them in. Let that be perfectly clear, so far as our attitude is concerned.

But, Mr. Chairman, here is where our viewpoint differs. We feel that the calling in of these men to give of their brains and ability and experience where they could most usefully contribute to the national service should not mean that the corporations with which they are connected should in the period of the war, or in the post-war period, be given any special privileges or special advantages as a result of the war-time necessities of the situation. Yet it is my contention that that is exactly what will happen under the present set-up if it is continued over into the post-war period. Let us look at the situation as it arises out of the procedure which has been followed.

Petroleum is the principal raw material that goes into the production of synthetic rubber at Sarnia. The petroleum from which the gases are taken off for the manufacture of butadiene and styrene comes from Imperial Oil Company, and a subsidiary of the Imperial Oil Company known as the St. Clair Processing Corporation has been called in to operate the part of the plant which does this work. In other words, a private corporation with a particular interest in petroleum is right in there operating that part of the plant.

Similarly, chemicals go into the manufacture of synthetic rubber to a considerable extent. The Dow Chemical Company, through its subsidiary, Dow Chemical Company of Canada Limited, is in there operating that part of the plant where chemicals are most deeply involved. They are naturally interested in chemicals that are used in the production of synthetic rubber, and they are also interested in the new processes by means of which different chemicals can be taken off from petroleum. In other words they are interested in the scientific developments which will be taking place right along as the production of synthetic rubber continues, and, as the minister himself said on Thursday of last week, that is one of the interesting and important phases in the manufacture of synthetic rubber at Sarnia. But what we have done is to put a private corporation with a particular interest in chemicals right inside operating the chemical end of the plant.

Then there is the Canadian Synthetic Rubber Company, which, as the minister has pointed out, is wholly owned by four Canadian rubber

companies. The main purpose of the plant is the production of synthetic rubber, and making that rubber available to rubber manufacturing companies so that they can produce the materials that are necessary in time of war. But when the war is over these same private rubber companies will continue to be interested in the availablility of synthetic rubber for the production of tires and rubber goods of all kinds. In other words, they have a special and a very particular interest in the production of synthetic rubber. They will also have an interest in the quality of that rubber, whether it is kept as high as possible so that tires will last a long time, or whether the grade should be kept down a little so that the consumers will have to buy more tires as time goes on. My point is that in the post-war period the private firms that have the greatest interest in what will be going on at the Sarnia plant, both at the end where the raw materials are taken in and at the other end where the final product is turned out, are right there now doing the operating.

I say again that the government would have been remiss had it not called in the people with the ability to do this sort of job. That does not mean, however, that at the expense of the public you should give special privileges to the corporations behind these men and to the financial interests behind those corporations. I do not relish the idea of attacking individuals in connection with a matter of this kind; yet I think it should be pointed out that along with the taking into the plant of the men who were equipped to do this work, we find that men of high standing in the rubber industry have been called in and placed in positions of high authority. For example, the general manager of the Goodyear Tire and Rubber Company is president of the Polymer Corporation. I find also that the vice-president of the Dominion Rubber Company is the deputy rubber controller in the Department of Munitions and Supply. I have met both these gentlemen, as I have met others in similar positions. They are fine gentlemen; they know their business, and I have nothing against them personally. What does get under my skin, however, is that because their abilities are needed in time of war we put ourselves in the position that we give special profit and special privilege to the corporations behind them, and to the power of finance behind those corporations. These men are interested, as we all are, in the best possible prosecution of the war effort; but also, inevitably, they are interested in the welfare and profits of the companies on whose payrolls they remain, and with which presumably they will continue to be associated in the post-war period. It is these men who are in a position to operate this synthetic rubber plant at Sarnia, if they so desire, in such a manner as to make the best possible use of the raw materials that come in at one end, and at the other end to make synthetic rubber available to private rubber companies on terms which will be to the greatest possible advantage of those rubber companies.

If I may elaborate what I said a moment ago in referring to the hon. member for Lake Centre, surely this should make it clear that the set-up is not in any way inimical to the interests of private enterprise; on the contrary it will be of great advantage to them. When people give the benefit of their brains, their ability and their experience, they should receive all praise and full reward; but beyond that, the benefit which accrues from the application of brains, ability and experience in a plant like this, financed by public funds, should go not to private corporations, privately financed, but to the people as a whole.

In time of war, we find ourselves in this position, that at times we have to disregard cost and see to it that the materials necessary for the war are produced. To that extent the benefit of this procedure in connection with Polymer accrues to the people as a whole; for we are getting materials of war for our common defence. I want to see that the benefit of this new scientific development, this new project at Sarnia, will continue to accrue to the people of Canada as a whole after the war is over.

Let me repeat the picture as I see it in the post-war period. We shall find that we have at Sarnia a modern synthetic rubber plant, as the minister has said, integrated to a greater extent than any other synthetic rubber plant in North America. I think the minister's invitation to hon. members to visit that plant should be accepted by all who can possibly do so, so that we may share the pride of the minister in the fact that this is our plant, that it belongs to the people of Canada. But in spite of the fact that it will be our plant this product will be available in the first instance to the private rubber manufacturers; and before it gets to the Canadian people for civilian use in the post-war period it will go through not only the manufacturing but also the economic processes of a private enterprise system, so that the first benefit of this new plant will accrue to these private corporations and to the financial interests behind them. My desire is that the total benefit of this new idea, the plant having been financed by the people of Canada, should accrue to the Cana-

dian people as a whole, making allowance for a just reward to the engineers, technicians and workmen who built the plant.

We should take note of the fact that we have paid for this plant in full out of the money provided in the war appropriations. By contrast—perhaps, as a matter of fact, it is not by contrast; perhaps it is the same story in the long run—when the Aluminum Company of Canada, a private corporation, needed to expand its facilities for war-time production, the government decided that it should be given special depreciation so that it could take care of the total cost of that plant during the period of the war. I need not go into that argument again, but we have pointed out that in our view this means that after the war that private company will have increased facilities and increased productive capacity that have been paid for by the people. There is no suggestion of depreciation as far as this government-owned plant is concerned; the argument is that the government owns it anyway, so why depreciate it. I point out, however, that the net result is the same. You allow depreciation in the one instance, which means that the people pay for the plant though it is still in private hands. In the other instance you do not allow depreciation because the people are paying for the plant anyway.

Mr. HOWE: May I ask my hon. friend what people paid for the aluminum plant?

Mr. COLDWELL: The people of the united nations.

Mr. KNOWLES: I do not know that we want to go into that debate again, but our point in that connection has been that when the price for aluminum was set, it was set at a figure high enough to include depreciation allowances which would take care of the cost of the plant during the three, four or five years of the war. I believe that at the end of 1945 the aluminum plant extensions will be fully paid for. The point I make now is that while one method is followed in one case, that of special depreciation, the method of government ownership without special depreciation is followed in the other, and the net result is the same. At the end of the war both plants are fully paid for. The aluminum company plant is owned by a private corporation, and the Polymer Corporation plant, although owned by the people, is being operated by these private concerns, using their raw materials and turning out products for their use.

There is another way in which it seems to me the government is strengthening the control of private interests in the rubber industry, as a result of, shall I say war-time necessity. Let me make it clear to the minister that when he came up against the problem of the cutting off of the supply of crude rubber, after Pearl Harbor, he faced the necessity of getting the synthetic plant built and into operation. He called in the people who could help him in that job, and we have no complaint about that. Our contention is, however, that he, the house and country should look at the results of that procedure, so far as the post-war period is concerned. Along with the government money which has gone into the building of the Polymer plant we have also had the expenditure of a considerable sum of government money to enlarge the plants of rubber manufacturing companies.

In the last two or three days we have had circulated among us a little booklet containing a report on the government financed expansion of industrial capacity in Canada as at December 31, 1943. Quotations have been made from it by a number of hon. members. I have gone through it looking for those amounts of money made available by way of capital assistance to private rubber companies. I understand there are fifty or sixty rubber companies manufacturing rubber goods in Canada. Naturally, when there are that many of them a few will be large and many will be small. I have gone through this report to find out what assistance is being given to private rubber companies, and I find that although there are fifty or sixty of those companies manufacturing rubber goods in Canada, the names of only eight such companies appear in this report.

Let me make it clear that I do not know the kind of work in which every company listed in the booklet is engaged. Some hon. members may be able to point out that some companies, the names of which do not so indicate, are rubber manufacturing companies. However I have been able to find only eight. The total amount of capital assistance made available to those eight is, according to this report, $4,861,699. First of all there are the Big Four, the owners of The Canadian Synthetic Rubber Company Limited. I refer to Goodyear, Goodrich, Firestone and Dominion. The other four are Dunlop, Seiberling, Gutta Percha and Miner. Of that $4,861,699 made available to only eight out of sixty rubber companies in Canada, $3,900,179, or 80 per cent, is made available to the Big Four. If we add in one more, namely Dunlop, and make it the Big Five, we find that they received 86 per cent of the total made available to these companies.

I know the argument is that these were the big companies, and that they were the

ones that could expand their plants and take on additional orders for the war effort. I shall not take time to deal with it in detail, but I have before me a most interesting sessional paper, No. 139, tabled Friday, January 28, 1944, which sets out the figures respecting contracts let by the Department of Munitions and Supply to firms from which it has taken in dollar-a-year men. I find in there some figures as to the size of contracts given to some of the companies I have named as being among the Big Four.

The CHAIRMAN: Order; the hon. member has spoken forty minutes.

Mr. ADAMSON: Last week I asked the Minister of Munitions and Supply whether it would be possible to give us an estimate as to the cost of aircraft. I see that he has produced what appears to be a most excellent graph, showing the ratio between man-hours per pound of airframe produced, and the cumulative aircraft delivered. Would it be possible for him to give that statement to the committee this afternoon?

Mr. HOWE: Hon. members are aware that I have always objected to giving costs in the House of Commons, and I believe it might be well at this time to state my reason for so objecting. The graph I have asked to have distributed to members shows the man-hour performance curve, of good performance, and used to check the performance of our plants. The elements of cost in an aircraft are, largely, material and labour, the latter being translated into the number of men multiplied by the number of hours they work, expressed by the term man-hours. Materials are fairly constant. It does not matter whether we produce one aircraft, or one hundred, or five thousand; generally speaking material costs are not a variable factor. Aluminum costs the same, and other materials cost about the same.

I would point out, however, that the productions of planes, per man working one hour, changes very rapidly as production continues. If my hon. freind will look at the top curve, he will find that it is a curve showing good performance for a plant making fifteen aircraft a month, while the lower curve is the good-performance curve for a plant making 150 aircraft a month. We have other curves fitting the particular situation we find in any of our plants. If hon. members will look at the bottom curve, showing good performance for 150 aircraft a month, they will see that the cost of man-hours in the one-hundredth aircraft is just about twice the cost of man-hours used in producing the one-thousandth aircraft. And the cost of man-hours used in producing the two-thousandth aircraft is lower still. The contrast is even sharper on the curve above, which applies for smaller production.

My hon. friend may ask me, as he did, as to the cost of producing an aircraft at Victory Aircraft plant. As he will see that cost depends on the particular aircraft that he may select. Each aircraft produced costs less than the preceding one, and that goes on for a considerable time. After the two-hundredth aircraft the man-hour curve begins to level off, and the difference will be less. Therefore it is very unfair to compare performance at one plant, with performance at another, by comparing the cost of current output at each plant. We must know the background; we must know how many units have been produced by one plant, against the number that have been produced by another. We must know the rate of production at one plant as compared with the rate of production at another. I might say that the man-hour factor illustrated on the graph is not confined to aircraft production; it applies pretty well to any sort of production that is repetitive in character. It would apply to ships—there is the same progressive reduction in man-hours for the production of ships. The curve also explains why, in ordinary times, we pay more for automobiles in Canada than is paid in the United States. Their production lines are dealing with vastly larger quantities and their man-hour costs per unit usually are much lower than can be obtained with the limited output of our own production lines.

Therefore I hope hon. members will not ask me for the costs per unit of output at our various plants. It would be wholly unfair to give them. Plotted here on this graph are several curves of our own actual performance. I may say that these are kept up to date in our office, and comparisons are made with the curve of good performance. This curve of good performance is used all over this continent for aeroplane mass production work. I may say that our production in terms of man-hours, is very good indeed. Generally speaking, our actual performance is better than the curve of good performance.

Mr. ADAMSON: Better than?

Mr. HOWE: Better than the curve which has been agreed upon as the curve of good performance. Usually we are below that curve. My hon. friend will see that curve F is the longest of the lot, and he will see at one stage that there is quite a jump in the curve. These jumps are caused by major modifications, or substantial changes in the aircraft,

which slowed down the rate of output, and temporarily shot up the man-hours per plane. My hon. friend will see that our performance curves follow fairly well the standard curves of good performance. Generally speaking, our costs are very satisfactory when measured with performance and costs in the United States or in the United Kingdom.

Mr. ADAMSON: Could the minister give the formula for working out these curves?

Mr. HOWE: I cannot.

Mr. ADAMSON: It is empirical?

Mr. HOWE: It is empirical. The plants which are known to be good performers are taken. A study of the industry was made in order to see what should be expected from established plants when bringing new types of aircraft into production.

Mr. ADAMSON: I thought the committee would be interested in getting some idea of whether we could continue to have an aircraft industry in Canada after the war is over. I think it is important that steps should be taken now in order that the aircraft industry may be perpetuated in Canada. The information that we now have may give a lead as to the possibility of that happening. I understand that the commercial type of aircraft to be produced is the DC-4, which is approximately a 40-place job for commercial transportation. These figures give us some idea of what it is going to mean to the country to maintain an aircraft industry.

An old quarrel between the minister and myself is in connection with the production of aircraft engines. As yet no aircraft engines have been produced in Canada. Do the costs of producing aircraft engines follow these curves if produced elsewhere? In other words, are we now buying Allison engines or Rolls Royce Merlin engines or Packard engines cheaper to-day than we were eighteen months ago? If so, our engine costs must have been reduced very considerably.

I agree with the minister when he says that it is unfair to make comparisons between costs, particularly in connection with experimental types of aircraft. I imagine that a year ago the cost of producing the first two or three Mosquitos was a fabulous sum, and I realize that it would be unfair to compare present costs. But I realize also that we must have some idea of our ability to produce aircraft in competition with other united nations. That is why I asked this question. Is the minister going to place this information on *Hansard*?

Mr. HOWE: I shall be glad to ask that the graph be placed on *Hansard*, if I can get unanimous consent.

(The graph referred to—aircraft man-hour performance curves—was published separately.)

Mr. DIEFENBAKER: A week or so ago I had an opportunity of visiting once more the Victory and de Havilland plants. This was the first visit I had made in about nine or ten months, and I must say that the conditions in both plants seemed to have improved materially over what they were when I was last there. There are some questions I should like to ask in connection with aircraft production and arising out of the questions asked by the hon. member for York West. The minister has indicated that his opinion is that the performance record in Canada is generally lower than the best performance records in other countries, and I wish to know from the minister if he considers that after the war Canada will be able to produce aircraft in competition with other countries? I noticed that when he spoke the other day in connection with post-war aviation he stated that a vigorous aeroplane construction industry was an essential complement to Canada's post-war aviation plans. I take it from that that when the war is over Canada will continue to produce planes in competition with other countries. On page 1695 of *Hansard* the minister placed comparative statistics on the production of Mosquitos in the United Kingdom and the United States and he said:

> In this connection, I think it may be of value to place on *Hansard* a table showing the comparative statistics on the production of the Mosquito in the United Kingdom and in Canada. In giving these figures I ask you to remember that the design originated with the English company.

Then he gave figures to show that in nineteen months after commencement of manufacture the cumulative totals of aircraft accepted in Canada and England were nine and five respectively.

Mr. HOWE: I thought I attempted to make it clear when I spoke last time that those figures were for one plant in England, as against one plant here, apparently the de Havilland parent plant in England as against the de Havilland plant in Canada. There are other plants in England producing this machine.

Mr. DIEFENBAKER: I took it as a comparison between the best plant in England and the Canadian production; is that correct?

Mr. HOWE: I would not say for sure, but it is probably the best plant. It is the plant that started as we did to produce the first Mosquito plane.

Mr. DIEFENBAKER: The comparison does not give the picture. If the choice of the English factory is not the choice of the best factory in production over there—

Mr. HOWE: It may be. I do not know. It is the one which has been operating the longest.

Mr. DIEFENBAKER: How many employees are there in the United Kingdom plant as compared with the number in the Canadian plant? That is a matter which must be known before these statistics become worth while at all. Has the minister that information?

Mr. HOWE: I think we have it. In any event, the de Havilland plant is one of the biggest plants in England. It has been in production since the beginning of the war. I dare say it would have the more employees. But I think you would have to go farther and say how many employees were working on the Mosquito, just as at the Toronto de Havilland it is a question of how many employees are working on the Mosquito. We were on other planes when we were starting production of the Mosquito. I think the hon. member is getting into pretty deep water when he asks for that information.

Mr. DIEFENBAKER: These statistics mean nothing as they stand on the record unless it is known how many men in the United Kingdom factory were employed on Mosquitos when compared with the numbers in Canada. That is the point I make in connection with these particular figures which are given, that they may provide a fair comparison; they may be entirely meaningless unless we have information as to the numbers.

Mr. HOWE: Let me put it to my hon. friend in this way. The Mosquito, when it was accepted, was an exceedingly important plane. I think both put on all the men they could use, but how many they put on I do not know. I would find it difficult to ascertain that here in Canada.

Mr. DIEFENBAKER: I am not entering into an argument at the moment, but I am pointing out that statistics like those on page 1695 are as meaningless as some of the promises of production which were made by the minister in 1942.

Mr. HOWE: Let us be a little sensible about that. I put the table on *Hansard* as a matter of information. It means exactly what is said. It says the performance in the British plant was so much and the performance of the Canadian plant—not my predictions of performance—was so much. I gave the best information I could. Let my hon. friend make the best out of it. If he suggests that anyone connected with the production of aeroplanes in this country is not doing the best he can, let him give us the name and we will consider the situation. This snarling around and trying to make points out of nothing is getting rather tiresome.

Mr. DIEFENBAKER: Let me tell the minister this, that in so far as certain types of production are concerned there can be no argument that his predictions made each successive year have not been borne out at all by the performance; and naturally he becomes annoyed.

Mr. HOWE: Give me the predictions I made last year, and see if they have been borne out or not.

Mr. DIEFENBAKER: I will refer to that in a moment. Naturally he becomes annoyed. That is always the refuge of the minister in this regard. In November, 1942, he made the statement that three Mosquitos a day would be produced in 1943.

Mr. HOWE: Can the hon. member read that statement to me?

Mr. DIEFENBAKER: The minister to Australia at the same time made the statement that "In 1943 we will be producing five per day." These predictions did not come true. Then the minister comes along on March 21 and places on record the performance in England and the performance in Canada, but does not give the man-power in each engaged on the production of one aeroplane or more, so that the comparison is not helpful to this committee.

I pass on to a matter connected with the improvement of performance and production. Two or three years ago a committee was set up under Mr. Hirst to encourage production and performance. During the past two years another committee has been in operation engaged in encouraging production. It was set up on December 10, 1941. The order creating it states that it was desirable to carry on a campaign of publicity and public education designed to promote and develop a full realization of the gravity of the existing emergency and the necessity of individual and united effort, cooperation and responsibility in order that Canada's participation in the war might be of maximum effectiveness. In that year, Cockfield, Brown and Company Limited

were placed in charge of the advertising campaign, and they accepted that position without remuneration. During the first year the expenditure amounted, I believe, to around $150,000. I ask the minister now, how was that expenditure justified? In 1942 it was extended for a further year, and on March 30, 1943, it was extended for another year. The order in council extending it for the further year stated that the expenditure upon the campaign from its inception to March 31, 1943, will amount to $237,000. What is the idea, I should like to ask the minister, after we have already set up a war information board designed to improve morale, to set up a further organization in the minister's department on which the expenditure to the end of March, 1943, was $237,000, and to which a further amount of $125,000 was allotted for the last year. I ask the minister to explain what has been done with a sum of approximately $360,000 expended under order in council P.C. 9635 and subsequent ones. Who has been in charge of this? Why has it been necessary to make this expenditure under the Department of Munitions and Supply instead of through the war information board or one of the other boards connected with wartime information? It seems to me that that is a very considerable sum to be expended on the improvement of morale in one department when we already have the war information board and other instruments of information engaged in that connection.

I pass on now to post-war aircraft production. It was referred to by the hon. member for York West. The minister made a speech in Washington in December last—

Mr. HOWE: I have never made a speech in Washington in my life.

Mr. DIEFENBAKER: The minister was talking to reporters, and the report indicates that it has all the appearances of a speech. He said that the business of transforming from war-time to peace-time manufacture should not be long and would be carried out in stages. Canadian aircraft production could easily be transformed to meet the demands of commercial passenger and freight carrying needs. Mr. Bell, director of aircraft production, in a statement of February 11, 1944, stated that our aircraft industry has conclusively demonstrated that it is capable of building the largest and most complicated types of operational aircraft in the world. He stressed the necessity of building now in order to ensure the permanent future of this nationally important industry. He says that in order to build up the industry it is necessary that design staffs capable of competing with the world be set up and that manufacturing costs competitive with those of Britain and the United States be established.

I would ask the minister to give the committee and the country a picture with regard to the continuance of these aircraft factories after the war is over. Some 122,000 men and women are engaged in production. Starting almost from scratch, the training of these workers has been a remarkable piece of work. I have visited nearly all of the aircraft plants in the country, and one thing that amazes me is the way in which the men have been trained to do the precision work they do to-day, considering the fact that many of them had never been connected with industry before.

When the war is over, what is to be done to ensure the continuance of the industry? I was rather disturbed by the statement made in November 1943, by Frederick Smye, executive assistant to the director general of aircraft production. When referring to the post-war period he was far from hopeful as to the condition of affairs. The hon. member for York West mentioned that we were not producing engines in Canada. Well, in the post-war period, according to Sir Archibald Sinclair, air minister in Great Britain, one of the most important developments in connection with air craft production will be the production of jet-propelled planes. He says it will revolutionize industry.

I would ask the minister whether consideration is now being given to the post-war period in the production of jet-propelled planes, which, it is believed, will in a large measure take the place of planes of the present types. To what extent can any of these factories be turned to the production of helicopters? According to an aeronautics board in the United States, when the war is over they will be used more than any other type of aeroplane in inter-urban traffic. These are matters that interest the workers in these factories, and it is necessary that they be considered in determining whether or not this great industry that has been built up in war time will in fact be utilized, when peace comes, as a means of ensuring employment and also of establishing Canada's position in the post-war air world.

The minister, in his address on post-war aviation, averred that it was the policy of the government to ensure the production of civilian planes in Canada. I would ask him to enlarge on that and indicate what the plans are. I do not expect them in detail, but I do expect some indication from all the planning committees that have been set up

with regard to the post-war period so that we may know the numbers the minister believes may reasonably be employed in the aircraft industry when the war is over.

In connection with civil aviation in Canada I would also ask to what extent expansion will take place so as to employ the 25,000 referred to by Doctor George Weir in his report on the post-war.

All of us are pleased with the increase in production of aircraft, and most of us feel that the use of trained personnel in the post-war should not be lost sight of by lack of planning now.

Mr. HOWE: Apparently there are two outstanding questions, one of which is: Why did the department interest itself in personnel work? Every production organization in every allied country has carried on programmes of the type that has been carried on by the Department of Munitions and Supply. The programme to which the hon. member referred was not confined to aircraft production. It covered the entire field of war production. The expenditure was not great in proportion to the size of our programme, measured by similar expenditures in any other country. It had nothing in particular to do with the work of the war information board except that it was coordinated with the work of that body. The purpose of our expenditure was intended to reach the personnel of war plants, whereas the purpose of the war information board is to reach all the people of Canada and of countries outside Canada.

The money has been well spent. Most plants have a plant publication put out by the employees, and part of the service is to provide up-to-date news for plant publications and to encourage their production. Another object has been to bring information home from the front lines regarding the use of a particular product. When a submarine is sunk it is a matter of interest to the men and women who were engaged in building the corvette that sank that submarine, or in building components of that corvette, to have that news in pictorial form.

Then there is the matter of plant entertainment in plants in more isolated communities. A good deal has been done in the making and distribution of moving pictures and providing projection equipment for the plants. Also, it has been found that for many types of production music in the plant during working hours has a stimulating effect on the workers and prevents fatigue. That has been introduced into plants.

That covers generally the scope of the work. It is well established to-day, and expenditures are dropping materially. Expenditures will be much less for the current year than previously.

The results are wholly intangible. One man could argue that there have been no results, while another could argue that the results have been excellent. I do not care to enter into that sort of argument. I am always a sceptic in matters I do not understand, and I should not like to appear as a witness as to whether the results obtained in the morale building campaign were worth the money or not. That will have to remain a matter of opinion.

As far as the future of the aircraft industry is concerned, that of course is a very large question indeed. If my hon. friend, or anyone else, could tell me when the problem will arise and what the conditions at that time will be, it would be very much easier to forecast the future. If I were sure that the war would stop in July of this year, I might be able to give an answer. If the war should go on for two more years the answer I gave to-day would certainly be used against me by the hon. member if he and I were both in the house at the time, because the situation then would be so different that my answer then would probably be different.

We are paying some attention to the post-war situation. We have a cargo plane in production here, and have had for some two years. It was an excellent cargo plane before the war, is still the best of its type, and will certainly continue to be produced to meet post-war requirements.

Mr. ADAMSON: Is that the Norseman?

Mr. HOWE: Yes. We have taken what we believe to be the plane most likely to succeed in the next five years, the Douglas DC-4. We have obtained manufacturing rights for that plane, and manufacturing has been started at the government-owned plant operated by Canadian Vickers at Montreal. That will certainly be a post-war project. Two intermediate types of planes are required as between those two, a small transport plane and a medium transport plane. Several designs are being studied, and out of them will come two or three types which should have substantial use in this country, and which can be put into production quickly.

We are also interested in a transatlantic type of plane. The design for that is well advanced, and it is probable that that may be added to the types of planes which will be produced post-war.

Mr. ADAMSON: Is it of Canadian design?

Mr. HOWE: Combination, Canadian and British. So much for types of planes.

As far as engines are concerned we are in a happy position. Up to this time, we have never had an airframe awaiting an engine. We have always been able to obtain the engines we have required during a very tight period of supply. We are now coming to a period where engine production will be well ahead of requirements, and, not being tied to any particular engine of Canadian manufacture, we can go out and buy any engine in the world, and buy it on favourable terms. So that the necessity for using one particular engine is not a problem to our designers. It would be unfortunate if it were so, because aeroplane engines are subject to frequent changes. It takes three or four years of experiments to bring out a new type of engine, and by the time manufacture is started the designers would know of a better engine that could be built. Large expenditures are devoted to development work. Production is in great quantity when the new type arrives. We in Canada have the choice of the production of both the United States and Great Britain. As my hon. friend has stated, it is quite likely that aeroplane engines as we know them to-day are becoming obsolescent. We are not sure of that, but there is a suspicion that that is so.

For the past two years Canada has been actively associated with the development of the new type engine, the jet-propulsion engine. We have had a strong team in England working with the designers of the engine, and with three or four plants which are engaged in development work. Part of the development work has been moved to Canada. We are conducting cold-weather experiments on the various types of jet-propulsion engines as they are produced, to determine the relative merits of each type under conditions of extreme weather. I can assure hon. members that we shall be in a position to start from scratch in the development of jet-propulsion engines. We are capable of starting on even terms with other countries and since no one will have any particular advantage in the building of jet-propulsion engines, I think we should be warranted in undertaking engine-building with some prospect of success.

Mr. NOSEWORTHY: There are several questions I wish to ask the minister. I think he will realize that when the estimates of the war ministers were under review it was understood that much of the money they were asking the house to vote was to be spent by the Department of Munitions and Supply, so that we have to direct our questions to the minister of that department.

The first question I wish to raise is this: What provision has the government made for ensuring accuracy as to the cost of planes and other goods produced on the cost-plus type of contract? I am told by engineers in many plants that in estimating the cost of this production the government is obliged to depend on the records and books of the companies engaged in this business; that the only inspectors the government has of costs are the accountants and bookkeepers who check the records of the firms producing these goods, that there are not in many plants engineers or technical men who are capable of telling how many machines are required for the production of a special job, how much of machine tools is require, and what number of man-hours should go into the job, and that the government is pretty much at the mercy of the records of private companies in this matter. Would the minister make a statement on that?

Second is the question of subcontracts. Has the government any check on the letting of subcontracts, either with reference to the efficiency of the firm that received the contract, or with reference to the costs charged for these contracts? Here again I am hearing continually that subcontracts are passed on from two or three individuals. I heard of one instance where a subcontract had changed hands seven times and only the seventh man received the contract and produced the goods, and that in each instance there was a profit of some kind charged.

Mr. HOWE: I think that is information which my hon. friend is in duty bound to give the government. If that happened; if there were six rake-offs in subcontracts, the government should certainly know it and be in a position to prosecute. Is my hon. friend prepared to give the names?

Mr. NOSEWORTHY: I can give the minister the name of the plant in which the contract was let. The difficulty is that the men in those plants are under oath not to give information.

An hon. MEMBER: Then how do you know?

Mr. HOWE: My hon. friend is mistaken. He has been dragging his line into deep water unless he can prove his statement that a contract has passed through six hands before the goods were finally produced. It is his duty as a member to give his proof of that statement.

Mr. NOSEWORTHY: I am simply asking—

Mr. HOWE: The hon. member said he knew of his own knowledge what happened. Let him not shift his ground. There must be some sense of responsibility on the part of a member speaking in this house. The hon. member has made a statement and I have asked for the names.

Mr. NOSEWORTHY: My statement is that I was told by a responsible man of contracts—this is common information around the town—

Mr. HOWE: Let us make it common information here. If you have information it is your duty to give it to this committee. Unless you are prepared to give the name of the man from whom you obtained the information, or unless you are prepared to give the hands through which it passed, you are not giving information but just spreading mud. I think that is what you are doing. You have made a definite charge on that point. Now give us the information.

Mr. NOSEWORTHY: I did not make the definite statement that it happened. I made the statement that I have been told that this sort of thing is going on. I have no means of investigating it. The minister has every chance of investigating these things. I am asking the minister what check his department has on the giving of subcontracts. I think if he investigates he will find that numbers of subcontracts are let more than once, and that in many cases it is not the man who first receives the subcontract who finally produces the goods.

Mr. HOWE: I deny that absolutely. If my hon. friend can give me one example of a subcontract being sublet twice or three times, or any other number of times—I will not insist upon seven times—I will apologize to him on the floor of the house.

Mr. NOSEWORTHY: I have to accept the minister's statement and assume that he has sufficient checks to see that this does not happen. I shall see if I can get definite information and give the minister examples as to where I have been informed this has happened.

Another question I should like to ask the minister pertains to a matter which came to my attention in Saint John, with regard to shipbuilding. When I was there in October shipbuilders employed in the harbour brought to my attention the fact that a superintendent, I think brought down from the Toronto Shipbuilding company, ordered practically all the carpenters working on that ship to set about building a superstructure over the deck, notwithstanding the fact that practically all the deck work has been done, and the further fact that these men were accustomed to build ships during the fall and winter months without the protection of any deck structure. My information, gathered at that time, was that practically all the carpenters were taken off the ship and put to work building this structure; that trusses were erected over the deck of the ship; that the legs of those trusses were set in sockets made of steel and welded to the deck of the ship. It was estimated by carpenters employed on that boat that about forty thousand feet of lumber was used in the construction of that structure. Panels were made of matched lumber, much of it long lengths of Douglas fir, matched spruce, four by four timbers and so on. About a month later I learned that practically all the carpenters working on the ships at that point were called in to rush this structure to completion, and that within a matter of days after it was finished the same men were called in to dismantle it because the ship was required to make a trial run, and could not make it with that structure superimposed upon the deck. It was a matter of considerable criticism among carpenters and shipbuilders there, and I think the minister should give us some information on the subject.

There is another matter to which I wish to direct the attention of the minister. Here again I do not want him to consider that I am making a charge against his department. I am passing on to him information that has been given to me.

Mr. HOWE: Is my hon. friend prepared to take the responsibility for the information he is giving? If he is not prepared to take that responsibility, then I suggest he should not give it. My hon. friend is simply spreading gossip as fact.

Mr. DOUGLAS (Weyburn): Has the minister started to make a new set of rules for this house?

Mr. HOWE: No.

Mr. DOUGLAS (Weyburn): Any hon. member can bring any matter before the minister and ask him to look into it.

Some hon. MEMBERS: Sit down.

Mr. DOUGLAS (Weyburn): I will not sit down.

Mr. HOWE: I have the floor.

Mr. DOUGLAS (Weyburn): While I am on my feet might I suggest that the minister might start addressing the Chair instead of saying "you" across the floor of the chamber.

The CHAIRMAN: The minister addressed the Chair when he rose.

Mr. HOWE: I suggest, Mr. Chairman, that my hon. friend is drawing upon all the gossip he has picked up around the country, and is giving it in this house as facts. When an hon. member makes a statement in the house I think he must assume responsibility for it. My hon. friend made the statement here to-day that contracts are passed through six or seven hands before the work is performed. That is a very serious statement. If it were true, my department would deserve from the people of Canada the greatest censure that could be imagined. It is not true; it is wholly untrue, but the hon. member makes the statement. Now he proposes to make another statement. He does not know whether or not it is true; it is just something people have told him. Is this the place to retail irresponsible gossip?

Mr. NOSEWORTHY: The minister knows very well that hon. members have the greatest difficulty in getting accurate information. Rumours can be heard all across this country; I am sure every hon. member must have heard, from men working in various plants, of the things that are going on. These men are under oath not to pass on that information to anyone.

Mr. HOWE: Let me settle that point. So far as I know there is no man in any plant in this country who is under oath, unless he is handling very confidential work. Let us not talk about the ordinary worker in the plant being under oath.

Mr. NOSEWORTHY: Then let me get back to the question. The minister objects to my asking for information on facts that have been laid before me.

Mr. HOWE: You ask the questions and let me give you the facts. You are giving the facts.

Mr. NOSEWORTHY: On Thursday last the hon. member for Lake Centre referred to the situation at the Sutton Horsley plant at Leaside. The minister may have answered the question which was asked, but following the question there was quite a melee, and though I looked through *Hansard* I could not find any answer or explanation by the minister in regard to the situation prevailing there. To-day I have a letter from the president and secretary of lodge 1673 of the International Association of Machinists, which operates in that plant, and they tell me—

Mr. HOWE: Read the letter and then lay it on the table.

Mr. NOSEWORTHY: I am quite prepared to read this letter.

Mr. HOWE: Never mind explaining it.

Mr. NOSEWORTHY: It is written on behalf of the employees and reads:

> We, the employees of Sutton Horsley Limited, Leaside, Ontario, members of Local 1673 of the International Association of Machinists, strongly protest the chaotic condition existing in our plant which is engaged in a vital war industry of manufacturing aircraft instruments, the most important plant of its kind in Canada.
>
> In March, 1943, R. J. Pinchin was appointed by order in council as controller of above company, as we understood, to build this company up. During his controllership things have gone from bad to worse to the extent that out of approximately 1,200 employees we now have less than 400, with layoffs continuing from day to day and rumours that the plant will close down in about six weeks.
>
> It is needless to emphasize the moral effect this has upon the workers in the plant and their families whose sons, husbands and brothers are fighting for the Four Freedoms. This condition is inconsistent with a total war effort and also shows the complete lack of preparation towards a post-war plan of work and security.

This letter is signed by the president and the secretary of the union. I do not know these men, but I draw the matter to the minister's attention, and ask if he will make a statement as to prevailing conditions in that plant.

Mr. CRERAR: Who signed the letter?

Mr. NOSEWORTHY: Do the rules of the committee require that that be given?

Mr. HOWE: Oh, yes.

Mr. CRERAR: They certainly do.

Mr. HOWE: My hon. friend has read the letter. Of course he will table it; that is always done. He need not worry about it, because I got a letter, too. I could table that, as well.

Mr. COLDWELL: I do not think the rules of the house require it; although I believe there is no objection to tabling the letter. I believe the hon. member will do it, voluntarily.

Mr. HOWE: If my hon. friend will read *Hansard* he will find I made a statement a few days ago respecting the situation at that plant. The fact of the matter is that the plant is making instruments for trainer aircraft. The production of trainer aircraft has dropped very sharply and quickly. The result is that fewer instruments are required, and therefore Sutton Horsley is called upon to make fewer instruments. The fact of the controller's being appointed has not much to do with the volume of work. The purpose in having the controller was to straighten out

an unsatisfactory financial condition. That has been done, and Sutton Horsley are doing all the work we have for them to do, and will continue to do so.

Mr. NOSEWORTHY: Will the minister make a statement respecting the other points mentioned?

Mr. CHEVRIER: I can answer the hon. member's first question, namely as to the checks or controls we had over cost-plus contracts. Last year I made a statement in the house respecting the nature of contracts, and the whole purchasing method in the Department of Munitions and Supply. If the hon. member will turn to page 3646 of *Hansard* he will find what those checks are. To speak succinctly, they are three in number, the first of which is the cost accountant, the next the representative of the Department of Munitions and Supply, and the third is the director-general of the programme. Those three officers exercise checks over cost-plus contracts.

The cost accountant is, of course, an officer of the treasury branch, and works hand in hand with our officers. They are found in all our plants across the country. There are hundreds of such cost accountants, in the plants. That officer works in conformity with a strict formula which I placed on *Hansard* on the occasion to which I have referred, giving those things which can be charged as items of cost, and those which could not be so charged. Then I believe the war expenditures committee made a finding that there were not nearly enough cost accountants, and every effort was being made to obtain as many as could be found.

Then, in each plant there is a representative of the Department of Munitions and Supply. Those representatives are officers of our department who worked in conjunction with the cost accountants. Finally, there were the directors-general of each of the programmes in the department.

Those three officers exercised a check or control over cost-plus contracts. Then the hon. member asked a question regarding subcontracts, but I am not in a position to give him the details he sought. He will find that at the last session of parliament the house gave the Department of Munitions and Supply certain powers over subcontracts. That was done under the Department of Munitions and Supply Act. I believe there he will find set out a number of the powers possessed by the department with reference to subcontracts.

Mr. NOSEWORTHY: I have never questioned the fact that there are a number of cost accountants to inspect the contracts. But has the government in those plants engineers who are competent to know whether too many machines or too many tools are being used, or whether too much time has been charged against a government job? Are there any engineers who know what should go into a construction job?

Mr. CHEVRIER: Yes; in almost all plants across Canada there is a resident representative from the Department of Munitions and Supply, and he remains in the plant.

Mr. FURNISS: Since the hon. member for York South has been making statements which have been questioned, I should like to take a few minutes of the time of the committee to correct a statement he made in the house on Thursday afternoon of last week. The statement to which I refer is found at page 1785 of *Hansard* for March 23, where the disposition of the plant at Nobel, Ontario, is being discussed. After the hon. member had described the plant at some length he said this, respecting the industry at Nobel.

> The industry is the only industry between Orillia and Sudbury, a distance of from 175 to 180 miles, the only one from Georgian bay to Pembroke, a strategic position for a peace-time industry.

I understand the hon. member for York South is a schoolteacher, and if he did not know from his knowledge of geography that that was a misstatement, then he should have known from his knowledge of the district. He must know that within the area he mentioned lies practically the whole of the district of Muskoka, and he must know, too, that there are three good-sized towns in that area, namely Gravenhurst, Bracebridge and Huntsville, each of which has industries.

Had the hon. member taken the time or the trouble to find out whether or not there were any industries in that district, he would have found that in the town of Huntsville there is a large tannery operated by the Anglo-Canadian Leather company, the largest producer of sole leather in the British empire. He would have found out further, that in that town there is a large mill and factory operated by the Muskoka Woods company, which claims to be the largest manufacturer of birch and maple hardwood flooring in Canada.

Coming south to the town of Bracebridge, he would have found, among other industries too numerous to mention, the Bird Woollen company, the quality of whose products has a nationwide reputation. Coming down to Gravenhurst, he would have found the Rubberset company, whose products are marketed throughout Canada and part of the United States. In addition to these, it might be of interest for him to know that the boatbuilders

in Muskoka, at Bracebridge, Gravenhurst, Port Carling and Honey Harbour have completed nineteen Fairmiles for the British and Canadian navies. The Fairmile is 112 feet long with a beam of eighteen feet and a top speed of twenty-five miles an hour. It is a splendid craft. In addition to that they have contracts for two mine-sweepers of much larger dimensions. Besides these craft they have completed some 600 smaller craft, including motor-boats, live-saving boats and other types. That is not a bad showing for a district represented by the hon. member as having no industries whatever. I think the statement he made is a reflection upon the enterprise of the people I have the honour to represent. I could not let it pass without comment and I know the people I represent would not want me to. I do not know what his intention was in making such a statement unless he intended to convey the idea that if the plant at Nobel was not put in operation again there would be no industry to absorb these people.

I have listened to hon. members criticizing the industries which have grown up during the last thirty-five years and I cannot help thinking what the course of the war would have been had those gentlemen been on this side of the house and in control of the government. What would have happened if they had dictated the war policy of this country? We know what their policy has been. I shall not go over it again since it has been placed on *Hansard* many times. At a time when Great Britain faced her greatest crisis; at a time when she was suffering for the cause of freedom to an extent never equalled by any other nation, we know they would have denied the people of Great Britain the consolation of knowing there was an air force, a navy and an army being prepared in this country with feverish haste to go to their assistance at the earliest possible moment. No one can say what the course of war might have been if the people of Great Britain had not known they had the support of the first nation in the British commonwealth of nations outside of Great Britain.

I wish to say a word on behalf of the Minister of Munitions and Supply. This is not my word alone; I am passing on the word that comes to me from everyone in my riding with whom I have talked. He is doing a first-class job. Those same words can be said of every member of the cabinet who has anything to do with the war. I have heard friends of mine who are strong Conservatives say that this government is doing a first-class job, and I agree with them. In place of criticizing things that have no bearing upon the course of the war, we should be ready to give more credit to the government for what they are doing.

Mr. NOSEWORTHY: In reply to the hon. member for Muskoka-Ontario may I say that I am sure the people of his constituency will appreciate the way he has come to the defence of his district. Perhaps I should have qualified my statement. When I referred to industry in that district I was referring to the plant at Nobel, which I contended should be retained as a peace-time industry. I have no doubt that the hon. member who has just spoken and all the people in his constituency will agree that there is a great need for a large peace-time industry in that district. I know of no part of Ontario that suffered more in the years before the war because of a lack of employment than the district represented by the hon. member.

Mr. COLDWELL: I should like to ask the minister a question. This is not intended as criticism but is merely a means of getting information which I think will be interesting to all members of the house. This question may have been asked previously, although I did not hear it when I was in the house, nor could I find it in *Hansard*. What is the present position of the Canol project? Is it to be completed? There has been a good deal of discussion about this and I have not heard a definite statement as to just what is the present situation.

Mr. HOWE: I do not know whether I can give my hon. friend the information he requires. The Canol project is a United States project. The only part Canada has in it is that we allow the use of certain of our territory for exploration purposes, and have permitted the United States government to build a pipeline and refinery on Canadian territory. As far as I know the work is in progress.

Mr. COLDWELL: Have we any interest in the ultimate disposition of the project if it is to be completed? If it is completed it seems to me that it will have some bearing upon the matters we are discussing, because it would affect the supply of oil and so on.

Mr. HOWE: The regulations have been tabled and I do not think there is anything new to report. It does not come within the orbit of my department.

Mr. COLDWELL: Has it been completed?

Mr. HOWE: I think the pipeline has been completed and the refinery is in operation. I do not know that the project itself can ever be completed, but I presume that it is being enlarged.

Mr. COLDWELL: Has it been completed up to the point it was intended to complete it?

Mr. GRAYDON: We had better let the hon. member for Yukon answer since he knows all about it.

Mr. BLACK (Yukon): The government has already announced the terms upon which the Canol project is being carried on. I understand that at a certain time after the war representatives of Canada and the United States will value the project. If Canada does not choose to buy it within a certain time, then it will be sold by public tender. The pipeline is only a four-inch line. I understand that it is completed and that the refinery is in a fair way to get into operation in May. Further than that I cannot say anything.

Mr. CRERAR: Perhaps I could add a word to that. There was an exchange of notes between Canada and the United States covering the development. Then regulations were issued in connection with certain areas and were tabled in the house at the last session. Those regulations set out the conditions under which Imperial Oil are operating. The arrangements that Imperial Oil have with the United States war department are, of course, a matter between that company and the war department of the United States.

Mr. COLDWELL: This is in Canadian territory and surely we should be able to get some information about a project of this dimension. Just what is the situation? Has the project been successful in finding sufficient oil to justify the operation of a refinery? Are we interested in the project, as is indicated by the documents tabled at the last session? I ask these questions innocently because I wish to be able to satisfy requests for information which I receive from people who are interested in this particular project.

Mr. CRERAR: I think my hon. friend will recognize just as quickly as anyone in the house that the United States war department are interested through arrangements made with Imperial Oil in a development that was undertaken for the purpose of ensuring a certain oil supply for defence purposes in the northwestern part of Canada and of Alaska. That was undertaken at a time when the Japanese menace looked a great deal more threatening than it is to-day. I do not know how far the government are at liberty to disclose arrangements which involve the government of the United States through its war department. The regulations, which after all are the important thing so far as this country is concerned, were tabled; that is, the conditions under which Imperial Oil undertook the developments. So far as the pipeline is concerned, I believe that it is completed, but I am not in a position to say at the moment whether oil is going from Norman wells to the refinery at White Horse because I have not at the moment information on that particular point. But the whole matter was one which was entered into between the government of Canada and the government of the United States, and if my memory is right, the understanding which was covered by the exchange of notes has already been given to the house. However, my memory on this point may be at fault. If the exchange of notes has not been tabled, there is a very good reason, because the Canadian government would have to have an agreement with the government of the United States on a matter of that kind.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. GILLIS: The remarks I have to make I would prefer to make when the minister is present.

Mr. HOWE: I am always present.

Mr. GILLIS: This afternoon, on the orders of the day, I endeavoured to get from the minister an answer as briefly and as explicitly as possible with regard to this question of closing plants in the maritime provinces. The Minister of Labour (Mr. Mitchell) answered most of that question, but I was not quite satisfied with the replies he gave. As the minister is well aware, there is considerable reason for unrest and apprehension in the maritime provinces with respect to the closing of plants. Not very much industry has been created in those three provinces as a result of the war, and there was very little there prior to the outbreak of the war. During the session of the house, from different sections of the maritime provinces, telegrams of protest and inquiries are being sent in.

The question I attempted to raise this afternoon had reference to the closing down of the Clark Ruse aircraft plant both in Nova Scotia and in New Brunswick. The Minister of Labour, in his reply, ridiculed, in my opinion, those who were sending in the telegrams of protest and tried to make it appear that one man sent in the telegrams and that there was no one in the organization he represented who held the views he expressed in that telegram. I

believe the hon. member for York West asked a question on Friday and read a telegram into the records.

Mr. GRAYDON: No. He did not read a telegram into the record; he just referred to it.

Mr. GILLIS: He summarized it. I did not base my question this afternoon on that particular telegram. The fact is, that I sent that telegram across the floor of the house to the Minister of Labour and asked him if he would check it up and determine whether there was merit in the proposals which it contained with respect to the procedure of lay-off. In addition to that telegram, I had a shower of other messages over the week-end from men, some of whom I know personally and for whom I have a good deal of respect, and the telegrams I received from Moncton and from the province of Nova Scotia were not quarrelling with the administration of the selective service regulations.

We know, and the senders of the telegrams know, that under the selective service regulations a certain definite road must be followed with respect to lay-offs, but the inquiries and the protests I received were as to the future of these plants in Nova Scotia, and as to whether the government had a policy with regard to the utilization of the Clark Ruse aircraft plants in Nova Scotia and New Brunswick. That, I submit, is a question to which the Minister of Munitions and Supply should give an answer to the members of this house.

The Minister of Labour, in his remarks this afternoon, breezily brushed to one side the question of men being laid off, with the observation that a large percentage of them were going into the armed services and would be immediately called up as they were laid off. That I think is a bad answer and a bad attitude to take. If the only redress that the government has to offer men who are being displaced in industry in the maritime provinces, because of the closing down of these industries, is the answer, "Oh, well; immediately you are put out of a job in those provinces we will call you up to the armed services and give you the privilege of going overseas and fighting for the country," it is not a solution. It is a callous way of putting the thing, and one which I think was ill-advised on the part of the Minister of Labour.

What we are concerned to know is whether, after the crown has created these plants at considerable expense to the taxpayers, it is not possible now to utilize both the plant in Moncton and the plant in Dartmouth, Nova Scotia, for other purposes. I feel that all the members from Nova Scotia, New Brunswick, and Prince Edward Island, have, on this particular question, a definite responsibility to those provinces.

These plants were built up, as the minister pointed out, for the purpose of aircraft repairs, and a few days ago he made a statement in the house to the effect that Canada expects to play a definite and important part in civil aviation after the war is over. If that is true, then both the Dartmouth plant and the Moncton plant are strategically located. There are large aerodromes which no doubt will be used in that civil aviation project, and these repair plants would, I think, fit quite definitely into a scheme of servicing aircraft after the war.

Practically every newspaper that one has picked up in the last four or five months has carried a story about the closing down of something in the way of industry in the maritime provinces. During the last session of the house we heard of shipbuilding plants that had been built up—Ferguson Brothers, for example, where there were partly completed boats, with sufficient material to complete them, and overnight the order was cancelled. Partly completed tugs were put on board the train and shipped to Montreal to be completed, and the materials were taken away. Next we hear of the Trenton shell plant. That is down and twelve hundred or thirteen hundred men are thrown out of employment. There is a good deal of the taxpayer's money in that plant. It is just another shut-down.

Telegrams now tell us that aircraft plants are being closed down, and picking up another press clipping of March 22 we find that they are laying off the entire female personnel of Enamel and Heating Products Limited of Sackville, New Brunswick. The whole story all along the line, as far as the industrial set-up in the maritime provinces is concerned, is a matter of going out of production and laying off people, leaving them idle, and no one apparently has plans for the utilization of these plants or of the equipment, or for seeing whether they can be used in the future. It is just a matter of closing them out.

The minister this afternoon made a statement with respect to the fuel policy and definitely stated that certain subsidies are to be established in the west and that a royal commission is to be appointed for the purpose of examining the whole fuel situation of western Canada with the end in view of establishing a peace-time fuel policy in the western provinces. When the hon. member for York-Sunbury asked him whether the Minto field and the fields of eastern Canada

were to be included in this royal commission's probe, with a view to developing a fuel policy for the future, I at least understood the minister to say that the eastern end of the country was not to be included in the investigation.

Mr. HOWE: No. I announced a subsidy policy for western Canada, and I said that consideration had been given to revision of subsidies for the Minto field and that I expected to make a statement on that subject within a day or two. I said that the subsidy situation in Nova Scotia is being studied. As a matter of fact, we have called in experts to make a report on the Nova Scotia situation. I said definitely that the royal commission is for all Canada, to review the coal policy for all Canada and recommend such changes as the situation may call for.

Mr. GILLIS: I beg the minister's pardon. I understood that in replying to the hon. member for York-Sunbury he was referring to the terms of reference of the royal commission to be appointed. I am very glad indeed that the minister has decided to have a complete examination made of the whole fuel situation by a royal commission with a view to recommending a national fuel policy that will be carried into the post-war period. This is a step in the right direction, and I compliment the minister upon taking it.

What I particularly rose to question the minister about to-night was the pulling out of established industries in Nova Scotia. I should like to hear from the minister whether the government has any policy with regard to using the shell plant at Trenton, if not for the production of shells, for any other purpose for which the plant can be used.

I would also like to know what is to be the future of the two aircraft plants at Dartmouth, Nova Scotia, and Lakeburn, New Brunswick. I think the people of the maritime province are entitled to an answer. If these plants are to be closed, the people have a right to know it, so that they can make other arrangements. If they are not to be closed but can be retooled and used for some other purpose, the people who are dependent on these plants as a means of livelihood have a right to know it.

I see the Minister of Labour is here. I made a few remarks in his absence, and so that there may be no misunderstanding I should like him to hear exactly what I had to say. I think the Minister of Labour in his reply to a question this afternoon was not very happy in his answer. I consider that his answer was breezy, ill-advised and ill-considered.

Mr. GREEN: But otherwise all right?

Mr. GILLIS: I refer to this statement with respect to these plants being virtually closed and some three hundred men being laid off at both of them, that selective service was handling the problem as prescribed by the regulations—with that I do not quarrel—and that there was not much to worry about because a large percentage of these men, immediately after losing their employment in the aircraft plants, would be called up for military service. That is the part of his answer with which I quarrel. It was an unhappy remark. It does not induce a very good frame of mind in a man entering the armed service.

Mr. MITCHELL: My hon. friend does not object to a man defending his country, does he?

Mr. GILLIS: I certainly do not, and I do not think anybody would understand me as saying that. The impression of the minister's statement on my mind and on that of the average man—

Mr. GRANT: Oh, no.

Mr. GILLIS: Well, then, say below the average. If I were employed in one of these Clark Ruse plants—and remember I know many of these men who, during the days between the two wars never had a job at all—this is how I would feel. I would say to myself: "I have a family. I have accepted the obligations of doing what I could in the field of production"—a lot of these men were trained for that purpose. Overnight, orders come to close the plant and my job is gone. There is no other job for me to go to in that part of the country because industry which had started up there by virtue of the war has closed down. Now I am told to report to the selective service office. The selective service officer advises me to report for duty. I am not enlisting voluntarily. I am not being given an opportunity to decide for myself whether I am going to fight for my country. In effect I am being forced into the service by virtue of economic circumstances. I am leaving my country to go into military service because there is no job here for me, because a member of the government, who is responsible, makes the observation in the house when discussing this question that that is the solution of the problem caused by the closing down of plants in the maritime provinces.

That is not a very happy frame of mind with which to send a man into the armed services. Certainly it is not a solution of the problem of scrapping industries in a section of the country that is badly in need of stimulation for industry. Is that to be the attitude not only with respect to those now losing their employment, but with respect to post-war employment when the men return from overseas?

In order to clarify things and satisfy the people of the maritimes, who are viewing the situation very seriously, the Minister of Munitions and Supply should make a definite statement one way or the other, so that we may know what to expect in the future and on the basis of that may be able to regulate our lives. If it is the intention to siphon off everyone from that section of the country who is able to work, and bring them into the central provinces, we have a right to know it so that we can make arrangements to move our families and live somewhere else. The trend of events, as I have seen it in the past year at least in the maritime province, is to pull out all war industry that has been created there. There is no thought of expansion or development of that industry but rather the closing of it down. Would the minister make a statement on that question?

Mr. ISNOR: I too, like the hon. member for Cape Breton South, have received telegrams in connection with the closing of the Clark Ruse plant at Dartmouth, and so has my colleague the hon. member for Halifax (Mr. Macdonald). We were naturally concerned because the plant is in our constituency, just as we would be concerned by the closing of plants in any part of Nova Scotia, which would naturally receive our attention. We discussed the matter together, but we did not bring those telegrams here on Friday afternoon and place them before the minister on the orders of the day; we felt there was another procedure which perhaps would give us a better understanding of the situation. My colleague and I got in touch with officials of the Department of Munitions and Supply, who went rather fully into the background of the plant at Dartmouth, as to the purpose for which it was first brought into being. We were told that it was established for the purpose of overhauling and repairing aeroplanes of the type that were used on the Atlantic coast, and we were further informed that a change had been made in the kind of aeroplane used there. I need not give the names of the planes, but we were given that information, I considered in a confidential way, and that was the reason for the situation which then existed at that plant. The Royal Canadian Air Force notified the Department of Munitions and Supply of the change that was to be made in the type of planes to be used, and steps were taken immediately to cut down the number of men employed there because, as they stated frankly, they did not think the people of Canada would want three or four or five hundred men employed for a certain period of time unless there was actually work for them to do, particularly when these men could be placed in useful employment elsewhere.

That was the reason given us, but we were not entirely satisfied that we had the whole story, with due respect to those who gave us that information. Accordingly we went further. I personally took up the matter with the Minister of Labour, who said he could assure me that these men would be placed in other positions. More than that, he said they were immediately taking steps to send officials from the selective service office at Halifax to look after the placing of these men elsewhere. He said, "These men are not going to be thrown out of employment without notice. They have received seven days notice, and even if they have no work to do they will be paid for the seven days which that notice covers." In view of the fact that there was no work for these men, and that the department was endeavouring to find work for them elsewhere, we felt that this was a reasonable stand to take, but we pursued the question further. We went to the director of aircraft production, Mr. Bell, and inquired as to what action was taken to meet the layoff of these five hundred men, and as to whether the plant would be continued even on a temporary basis. We were told that the plant would be continued for a further period of three months with about 250 employees. Then naturally we wanted to know whether the plant could not be used for some other purpose, but he did not see how that could be done nor did the Department of Munitions and Supply. We suggested that it might be used in connection with the ship repair work being carried on in the port of Halifax, but they did not think that was feasible.

I wanted to explain this to you, Mr. Chairman, and to the other members of the committee, to indicate that more than one hon. member was interested in maintaining industries in the province of Nova Scotia, that others were equally interested but approached the subject in a little different manner. I am pleased to say that we have the assurance that the plant will be held as a stand-by. The equipment will be kept there, in case it might be of use at some future date for the work for which it was brought into being, namely, the repair and overhaul of certain types of aircraft; and I am still hopeful that use will be made of this plant. I am just as much concerned as any other hon. member that we should hold on to what industries we have in the maritimes, particularly plants in connection with aircraft and shipbuilding.

I do not wish to deal with the other two plants mentioned by the hon. member for Cape Breton South. He referred to the closing down of the plant at Trenton, and that matter has been brought to the attention of this committee on more than one occasion. It

is under investigation at the present time, and again I say I am hopeful that something may turn up as a result of which work will be continued there. The hon. member has also brought to the attention of this committee in almost the same words the situation prevailing at Pictou in connection with the plant of Ferguson Brothers. The Minister of Munitions and Supply gave a full explanation as to why it was necessary to cancel the contract there and carry on the work elsewhere, so that I do not think it is necessary to go into that question at the present time. I would point out that the same situation will prevail in other parts of Canada. Because of a change in the system of training, numbers of airfields in all parts of the country have been closed. We are bound to see the closing of plants, airfields and schools after we reach a certain stage in our war production and training, and all that has been explained. I do not think the people of Canada expect the minister or this government to carry on any plant in which men cannot be usefully employed, particularly if they can be employed somewhere else to help in our war effort. I do not wish to be unreasonable. I want everything it is possible to get for Nova Scotia, but I do not think the people of that province are going to ask me or any other hon. member from the maritimes to make unreasonable requests. They do expect us to make every effort to find out why a plant is being closed and, if possible, to have that plant continued in operation, even if only in the capacity of a stand-by plant. However, I ask the minister to bear in mind that at Eastern Passage he has what is considered a well-equipped plant, as well as a permanent airfield which no doubt will continue in operation following the war. I suggest to him that this plant might be utilized in connection with the T.C.A. or in some other worth-while peace-time effort.

Mr. HOWE: I should like to point out to my hon. friend, and to all hon. members, that the Clark Ruse plant is not closed. This plant was built to repair damaged aeroplanes. Obviously the work of such a plant must be in proportion to the number of damaged aircraft. At one time the plant was very busy; in fact the capacity has had to be enlarged from time to time. Owing to a change in operational requirements, however, recently the number of crashed aircraft has been considerably less. As a result, the personnel of the plant has been cut down to the actual work requirements. I understand the reduction in Halifax amounts to some 500 men, which leaves about 250 or 300 still employed. I understand there has been a small reduction at Moncton as well; just how large that has been, I do not know, but I do not think it is particularly important. My hon. friend claims that the employees in these plants are absolutely astonished that there should be any reduction. I think they are much more intelligent than he would lead us to believe. Surely people whose livelihood depends upon crashed aeroplanes must know that others are not going to crash aeroplanes in that locality at the rate they have been crashed, forever.

Mr. GILLIS: Were those plants not assembly plants?

Mr. HOWE: They were for a time, yes.

Mr. GILLIS: Yes, they were.

Mr. HOWE: In the early stages there were some planes being brought in from the old country and assembled there. But the main purpose of locating the plant there was to repair certain types of aircraft. That is the only purpose of the plant at this time. The equipment is laid out for certain types of aircraft. The plant carries stocks of spares for certain types of aircraft, and the job is to repair those aircraft. A very considerable part of the personnel was brought there from upper Canada for the reason that men with some training were required. Surely those who went from upper Canada to Halifax to repair damaged aircraft did not go there under the impression that they were going to make a profession of repairing damaged aircraft in that area. They went there to do a war job, and intended to come back to where they came from when the repairs to crashed aeroplanes were finished. Those are not plants suitable for any other work; in fact repair capacity may be needed again. Damage to aircraft may increase; we may have in that area operational requirements which will again make those plants necessary for the purpose for which they were built.

I assume that the Halifax plant, being adjacent to the Dartmouth airport, will probably always be used as an overhaul plant for aeroplanes. Obviously, under peace-time conditions the scale of operations will not be particularly high. I find it extraordinary that an obviously temporary war-time facility should, in the mind of anyone, be converted into a permanent industry, when no such industry of that size could possibly exist in peace time.

The hon. member mentioned the plant of Ferguson Brothers at Pictou. The situation there was that the plant was equipped for ship repairs, a badly needed facility along that coast. By a chain of circumstances, none of which was intended by the department, two tugs were moved into that plant for construction. The department thought they were to be

constructed in another location, but suddenly found that they turned up in the Ferguson yard. Those tugs, had they been built there, would have occupied badly needed facilities which had been created for a special purpose, a purpose having the highest priority. Might I say that the repair of ships has a far higher priority than the building of ships, because it is much more important to keep an existing ship at sea than to build a ship which could be put to sea only after a matter of months.

When it was found that the repair facilities were clogged up with a construction job, we moved the construction job out. Ferguson Brothers were very much disturbed about the situation at the time. But I shall be very glad to lay on the table a letter from Ferguson Brothers, written a year later, in which they said that they had been fully occupied with the repair work, since the tugs were moved out, and that they wished to say that I was right; that they were quite wrong, and that we were fully warranted in taking the tugs out to make way for repair work.

Mr. McIVOR: I have just a word to say. It is only human nature of a certain type that when an air centre or a training centre is shut down there is diappointment. If a war industry is closed, we are disappointed. But there is another type of human nature that is not disappointed. When our shell plant at Fort William was shut down, perhaps I was a little disappointed. But to-day that plant is sold, so that instead of making shells it is going to make foodstuffs. And where is the city in Canada that would not prefer to see the manufacture of foodstuffs rather than that of shells—because there are now enough shells.

Then No. 2 training centre which we had at the head of the lakes was one of the best in Canada, and I say that because of the number of times they took the pennant. Some of the folks there thought it should be about the last closed up, because of its efficiency. But when I spoke to the Minister of National Defence for Air he asked me, "Do you know the reason why it was closed down?" I said I thought I did, but asked, "What is it?" "Because there were not enough casualties in the air." I say to the Minister of Munitions and Supply, notwithstanding any criticism the hon. member for Davenport may level at me, that we thank God that the airmen have been spared so that our training centres can be shut down. It is only a certain type of individual who will find fault with that sort of thing. I am glad that our schools are being closed, because we do not need any more aircrew, and we are going to win the war with practically what we have now. Before we criticize the men in our war cabinet, we should know more than present expressions would seem to show.

Mr. JOHNSTON (Bow River): I wish to say a few words with regard to a very serious condition in the west. I refer to the coal situation. I was pleased to hear the minister say to-night that he was causing to be set up a royal commission which would investigate the whole coal problem from the eastern to the western coast. I may say it was my understanding this afternoon that the royal commission was only going to investigate the coal condition in the west. I am glad, however, that the minister has now corrected that statement. Because of the statement which I understood the minister to make this afternoon, but which he has just now corrected, it was my intention not to discuss the coal question until we were to go into supply, and then to move an amendment which would more or less solidify the whole subject, and bring the matter to a climax.

It is necessary that the coal situation not only in western Canada but in eastern Canada as well should be dealt with, so that there might be some satisfactory conclusion. Chaos will be the result if that is not done. This amendment I intended to move when the house was going into supply:

> That all the words after the word "that" to the end of the question be struck out and the following substituted therefor: this house consider the advisability of formulating a national fuel policy for Canada which will:
>
> (a) Eliminate discrimination in favour of coal imports through subsidies.
>
> (b) Ensure markets for Canadian coal producers.
>
> (c) Provide steady employment for Canadian miners and
>
> (d) Make provision for transportation facilities, either by way of freight rate revisions or through the renewal of subsidies which will enable Canadian miners to compete on an equitable basis of equality in Canadian markets.

I had prepared that amendment because of the very serious situation in the west. In the last few days I have been receiving telegrams and air mail letters in regard to the matter, until now I have quite a pile of them. The situation is becoming serious. I think there is a mistaken idea in the minds of many with regard to the western fuel situation. This has been created largely by remarks made, perhaps unintentionally, in this House of Commons. I believe it was the Minister of Munitions and Supply who criticized some hon. members the other day for making statements which were not well considered. I think his rebuke was well grounded, but I should like to apply his remarks to certain hon. members

on this side of the house. I wish to quote what the Minister of Labour had to say in regard to Alberta coal. I think he made some remarks which were very ill advised. I quote from page 1057 of *Hansard*, where the minister is reported as follows:

> My hon. friends will understand why much of that coal particularly Alberta coal, cannot be piled. It deteriorates, falls to pieces. It is not like Nova Scotia coal.
>
> Mr. MacNicol: It disintegrates.
>
> Mr. Johnston (Bow River): It is good coal.

The minister stated that Alberta coal is not like Nova Scotia coal, that it will not stock-pile. For a long time we in western Canada have been endeavouring to create a market for Alberta coal in Ontario and Quebec. A goodly number of dollars have been spent by the provincial government upon advertising, and a trade commission was set up in this province which spends part of its time in Ottawa and the other part in Toronto in an endeavour to build up a market for Alberta coal. This in turn creates a market for other Canadian products and provides labour for Canadian people. These are things that should be brought about.

Now the Minister of Labour comes along and knocks the props out from under that by saying that this coal will not stock-pile, that it is not like Nova Scotia coal. I have nothing to say against Nova Scotia coal, and there are other hon. members, particularly the hon. member for Cape Breton South, who can deal with that particular commodity. But Nova Scotia coal is bituminous coal; that is the only type of coal produced in Nova Scotia. We produce bituminous coal in Alberta along with other types. I have gone to some pains to investigate the heat units of bituminous coal from western Canada and of bituminous coal from eastern Canada and I find that there is practically no difference. The minister was entirely wrong when he said what he did. He either did not know the coal situation or was deliberately making a misstatement of fact, something which should not be permitted. He says that it falls to pieces, that it deteriorates. Bituminous coal from western Canada will not deteriorate and it will stock-pile just as well as Nova Scotia coal. We should remember this when discussing this matter. Statements such as the minister made are misleading to the public. I heard coal dealers, some of them members of this house, from Ontario say that such statements are not correct.

The other kind of coal that we produce in Alberta is domestic coal, and this is found in a number of types. We get domestic coal from Drumheller, from Lethbridge, from the Saunders area and from the Coalspur area. Each of these domestic coals is an excellent

coal. If the minister was referring to that type of coal when he said that it would not stock-pile, he was entirely wrong. We in the west have had some experience in using this coal and in fact it has been shipped to Ottawa and even a few miles out from this city. A goodly number of tons have been sent down to Toronto in an endeavour to build up a wider market for our coal. Then the minister comes along and makes his statement, and the hon. member for Davenport (Mr. MacNicol) agrees with him by saying, "It disintegrates".

Mr. MacNICOL: I infer from what the hon. member is saying that he charges me with criticizing Alberta coal. There is no hon. member of this House of Commons, including the hon. member, who has done more to advocate the use of Alberta coal than I have. I was partly responsible for bringing down the first 25,000 tons of Alberta coal to Toronto and other points in Ontario. The hon. member must not misquote me. When I said it disintegrates, I mean that it does disintegrate if it is not covered. I have used several carloads of this coal.

Mr. JOHNSTON (Bow River): I was just going to say that on many occasions the hon. member for Davenport had commendably advocated the use of Alberta coal and the development of Alberta industries. We thank him for that; nevertheless when the minister said that it deteriorates, falls to pieces and will not stock-pile, the hon. member said, "It disintegrates." I do not like to make any uncomplimentary remarks about the hon. member, but I do want to stress that if this coal is kept covered, and most domestic coal is kept covered, it will keep just as well as any other type of coal.

Mr. MacNICOL: Exactly. It does not disintegrate when under cover.

Mr. JOHNSTON (Bow River): We in western Canada buy our coal in the fall, especially since the government has advocated getting in an early supply. Two years ago I put Drumheller coal into my basement in the early fall and in the spring it was just as good as when it was put in. When this coal is brought down to eastern Canada and sold to householders and kept under cover it will keep just as well as any domestic coal produced anywhere in Canada. We should not misrepresent the facts and say that this coal will not stock-pile, that it disintegrates, leaving the impression it deteriorates rapidly and soon becomes of no value. We are trying to build up a market for this coal. The bituminous coal to which I referred a moment ago is a different type entirely. This coal is

used for industrial purposes and by locomotives. I wish to refer again to what the minister is reported as having said on page 1057 of *Hansard*.

Mr. HOWE: What minister is my hon. friend talking about?

Mr. JOHNSTON (Bow River): I am talking about the Minister of Labour at this moment.

Mr. HOWE: What has this to do with the estimates of the Department of Munitions and Supply? There are civil estimates which are not now under discussion covering the subsidies on coal. My hon. friend is just building up strawmen and knocking them down. No one has said that Alberta coal will not stand handling or cannot be stored. My hon. friend and everyone else in this house knows that practically every variety of coal is mined in Alberta. There is a high grade domestic coal; there is a bituminous coal and there is a low grade lignite. If he is talking about the lignite coal, then I think he will admit that it will not store. If he is talking about bituminous coal, I think it can be said that it will store. If he is talking about high grade domestic coal, of course it will store.

Mr. JOHNSTON (Bow River): Of course it will.

Mr. HOWE: Why not sit down and let us get on with the estimates?

Mr. JOHNSTON (Bow River): Let me tell the minister that I shall not sit down until he gets a few facts. If he had been listening to what was being said he would know I was referring to the Minister of Labour.

Mr. HOWE: Whose estimates will come up later.

Mr. JOHNSTON (Bow River): The Minister of Labour made remarks about Alberta coal. It was a member of your government, not I, who was saying that it would not stock-pile. If the minister would listen to what is being said instead of being so anxious to rise and "crab" about somebody else, he would hear what is going on.

Mr. MITCHELL: Let me say this, on a point of order. Let the hon. member discuss this when it comes up on my estimates. I shall still be here, I hope, and any statement my hon. friend has to make I shall do my best to answer. He does not need to fear that the Minister of Labour is going to run away. I thought he was talking about some minister of the gospel.

Mr. JOHNSTON (Bow River): Don't ever worry. I was talking about you then. On the question of whether this matter should be discussed under this item, in just about a minute I am going to refer to the Minister of Munitions and Supply. When he was giving his statement the other day he occupied about a page under this very item, and he was talking about coal, so that it definitely does come in this place. But this question was raised by myself a year ago in this chamber, as far as western coal is concerned. I was about to state what the Minister of Labour said with regard to the policy of handling it. As reported in *Hansard* of this year, at page 1057, he had this to say:

> I have a vivid recollection of the hon. member for Bow River rising in his place last session and saying that we had no organization to meet a possible shortage of fuel in the west this winter. In the light of what has taken place, I think it can be said that we were not only prepared but overprepared, having regard to weather conditions, to meet the fuel situation in western and eastern Canada this year.

Mr. MITCHELL: What is wrong with that?

Mr. JOHNSTON (Bow River): I am just going to tell the minister what is wrong with it. As far as this winter was concerned the minister is perfectly right. He was overprepared; I will agree with him there.

Mr. MITCHELL: I wonder what my hon. friend would have said if we had not been prepared.

Mr. JOHNSTON (Bow River): I am coming to that, too. This winter you were overprepared, so that shows a definite lack of policy.

Mr. CLEAVER: Or a mild winter.

Mr. JOHNSTON (Bow River): A year ago you were vastly underprepared. That, too, showed a definite lack of policy. Very likely next year you will be underprepared again. So that it is necessary that a national fuel policy should be gone into carefully and established, and even at this late date it was good news to hear the Minister of Munitions and Supply—the minister, mind you, who says that this does not come under his department—make the statement a few minutes ago that a royal commission is to be set up to investigate this coal situation. It is time it was done, and the Minister of Munitions and Supply, whether it comes under his department or not, is apparently at least moving in the right direction.

Let us see what the Minister of Munitions and Supply, who is so much concerned about the matter being discussed in the wrong

place, had to say about this. The other day, when speaking on his estimates, he said, as reported in *Hansard*, at page 1702:

The coal which is mined to-day, and in the next few months, will be marketed for next winter's supply.

That is an appropriate statement. The coal which is mined to-day will be next winter's supply. If the minister or whoever is responsible for coal production will follow out his policy on that basis, next year we shall not be in the same position as we were in a year ago and as we are in to-day.

Mr. CRUICKSHANK: Not if there is an election you won't.

Mr. JOHNSTON (Bow River): Because surely now is the time, especially when so many miners all over the country are being laid off, to create a national fuel policy for Canada which will put these men in employment. There is no use in saying, as the Minister of Labour said the other day in regard to the fuel policy, that in a little while some of these soldier miners who are laid off will be taken back to the forces and others will be enlisting in the army.

Mr. MITCHELL: I never said that.

Mr. JOHNSTON (Bow River): Yes, the minister did; and that in a little while those miners who came off the farms would be going back to the farms and that that would relieve the unemployment situation. For quite a period men have been walking the streets unemployed. At the time I spoke on this question there were over 700 miners in Drumheller who had applied for unemployment insurance; a thousand of them did not have any work, and conditions were getting worse. Since then, 500 miners have been laid off in Edmonton. The situation is becoming critical. The Minister of Munitions and Supply, again speaking about coal, had this to say on March 21, as reported in *Hansard*, at page 1701

By 1943, our consumption had increased to 46 million tons, of which over 28 million tons have been imported.

That amount of coal was imported last year from the United States or Great Britain. He continued:

These figures will give the house some idea of our coal problem. Despite some improvement in the over-all production picture, there is no doubt that we shall have a serious coal problem on our hands for the duration of the war.

Is the time not opportune for the minister's announcement to-day that a royal commission is to be set up? The matter was so serious that I considered I would be negligent in my duty if I did not bring up this question when Mr. Speaker was going to leave the chair for the house to go into supply, but, the Minister of Munitions and Supply having made the statement that a royal commission is to be set up, I thought that now would be the proper time to discuss the question.

Last year there was an increase over 1942 of 3,243,000 tons of coal which came in from the United States. A subsidy was paid on all that imported coal. Most of it was received by Ontario and Quebec, a market which either Nova Scotia or the western provinces should have for their own. Yet, instead, we are subsidizing all that imported coal, making it still more difficult for our own Canadian mines to keep running, to retain these men in employment, and to hold business within our own country. Some of this coal which was imported and brought to the head of the lakes was taken as far west, on the Canadian Pacific railway, as Saskatchewan, and on the Canadian National Railways, clear into Alberta. Nobody can tell me that that indicates even the semblance of a fuel policy, when in Alberta we have fourteen per cent of the total coal deposits of Canada. Meanwhile mines all over this dominion are being shut down and men are unemployed. I have here a telegram from the board of trade at Drumheller; I have received also airmail letters from various mines, at Lethbridge, Edmonton and elsewhere. These people are greatly concerned over this question. Most of this lack of foresight and judgment, and most of the great unemployment problem that we have been facing could have been and should have been settled long ago if this government had got busy and created a national fuel policy.

Now a royal commission is going to be set up and I wish to commend the minister. The time is long overdue for it, and if a thorough investigation is made on a national scale I believe that this coal problem can be efficiently and judiciously handled. There is no reason why we cannot keep our miners busy, or begin to prepare now under a proper plan to have these miners put back on the job so as to get coal out now for next winter, and I hope that the government will see to it that every assistance is given the commission, and that after the commission has reported the government will get busy and set up an efficient national fuel policy for Canada.

Mr. MITCHELL: I wish to correct a couple of statements that have been made. It was suggested by the member for Cape Breton South (Mr. Gillis) that we had a deliberate policy to force men into the army through these lay-offs that have taken place.

Mr. GILLIS: I did not say you had a deliberate policy to force them.

Mr. MITCHELL: I am glad my hon. friend admits that. I am satisfied there. I believe I stated the facts clearly this afternoon. The hon. member for Cape Breton South will agree with me, I think, that we did move in the right direction in connection with these lay-offs and the selective service replacements which were undertaken in co-operation with the trades union. This is probably the first time in the history of the country when we have been able to move through the selective service for the purpose of making these changes in such replacements, and that is an indication that we have a machine capable of doing the work. I am proud of it, notwithstanding any opinions to the contrary. We can move, as we have done in many places, people from different jobs to other areas where changes are inevitable.

The grand strategy of the war, as the Minister of Munitions and Supply points out, makes it inevitable that industries will be closed down and others started, and the fact that we have a machine that can move in, as in the case of Dartmouth, and undertake this transfer of workers from one point to another, is an indication that we are a long way ahead of the stage we had reached in the last war.

Let me say to the committee that I am responsible for the call-up of men for military service; and let me say further, very frankly, that with the increase in tempo in the war in Europe there will be greater and greater call-ups of men in the age groups liable for military service. Let there be no mistake about that.

When we see the United States at this very moment considering the cancellation of postponements from eighteen to twenty-six years, whether men are engaged in agriculture or in industry, and when we look at the figures with regard to mobilized man-power in Great Britain, it makes our eyes stand out. We have had a staff of industrial engineers and men from the labour department going through the whole industrial structure of the country in the last twelve months with a view to combing out industries in order to meet the requirements of the Department of National Defence.

There may have been in this plant, where we took these 111 men, such a situation as would have necessitated its shut-down in the not distant future. According to our latest figures, however, there are ample opportunities for employment in the maritime provinces in A, B, C, and D priorities. The latest figures we have for the maritime provinces for total man-power requirements are 12,956; in A and B priorities 9,953 men are required and 1,480 women, making a total of 11,433. So that my hon. friend will have some indication that, notwithstanding the fact that there are these shifts in the industrial structure, which are inevitable in a time of war, there is ample employment opportunity even in the maritime provinces to take up any slack we may be faced with there. Sometimes there is a temporary closing down and sometimes, necessarily, it is permanent. The same is true of all industries whether in that part of the dominion or in any other section.

Mr. SOPER: I think I had better put the hon. member for Bow River (Mr. Johnston) straight with regard to the storing of Alberta coal. The minister was quite right when he said that Alberta coal would not store when shipped here. If you put that coal in a damp cellar it will store for a while, but when it is placed in a dry bin it will not store. I was afraid the hon. member for Bow River might be contemplating using some of the money he makes as a member of parliament for the storing of coal under unfavourable conditions.

Mr. BLACKMORE: Will the hon. member tell us what he means by "store"? Does he mean storing for two years, or for two months, or for how long?

Mr. SOPER: Shipping the coal right here at this time of the year and putting it in a dry basement. If you do that it will not stand.

Mr. BLACKMORE: For how long?

Mr. SOPER: It will not stand until next winter. If, however, you put it in a basement where there is a ground floor and a certain amount of dampness, it will store.

Mr. BLACKMORE: It will store for six months?

Mr. SOPER: If you put it into dry bins at this time of year, by next fall, when you start to draw it out, you will have from five to ten tons of slack per car.

Mr. JOHNSTON (Bow River): That is different from what the minister said a moment ago.

An hon. MEMBER: Who is right, you or the minister?

Mr. SOPER: I think I ought to know something about it because it cost me money.

Mr. BLACKMORE: The hon. member should tell us what kind of Alberta coal he is talking about. Alberta has several kinds.

Mr. SOPER: Drumheller coal. Alberta coal, which is one of your best.

Mr. JOHNSTON (Bow River): That is the coal I use and I have no difficulty with it.

Mr. GREEN: We seem to have slipped away from the estimates of munitions and supply into the Department of Labour. There are one or two points arising out of the estimates of munitions and supply which I think should be cleared up by the minister. The first of these points is this: What preparations are being made by his department for the war in the Pacific? Earlier this month the British secretary for war, Sir James Grigg, speaking in the British House of Commons, used these words:

> In one field the ministry (of supply) can expect from us a whole range of new demands —those for specialized weapons and equipment which will be needed when we transfer our main weight to the war against Japan.

Last fall Admiral Sir Percy Noble, head of the British admiralty delegation at Washington, said there would be a vast expansion of naval base and repair facilities on the British Columbia coast in preparation for the all-out drive against Japan. The policy of the government quite clearly is that once Germany has been disposed of, Canada will throw her whole weight against Japan and that, of course, will require careful preparation by the Department of Munitions and Supply so that the various facilities will be ready when the time comes.

It would be of interest to the committee to hear from the minister just what steps have been taken and what plans he has in mind. I think the bases on the Pacific coast will be main operational bases in the north Pacific when Canada strikes against the Japanese. Probably the shortest route from Great Britain to the Pacific area will be across Canada and through the ports on the Pacific coast. Also there will be great need for ship repair facilities and probably there should be stock piles of equipment built up there even now. Material will be required not only for Canada but also for Australia, New Zealand and the United Kingdom.

It would also seem reasonable that there should be some increased production of war material on that coast, that it would be cheaper and more efficient to have some of the goods manufactured there; more gun barrels, for example, and perhaps different types of guns. When the time comes for Canada to throw her whole weight into the war with Japan it would seem a reasonable thing to do to make more of this equipment on the Pacific coast.

There will also be a great increase in the amount of foodstuffs that will have to be handled through Pacific ports, and in the volume of oil. There was some discussion this afternoon about the Canol project; as the minister said, that project was undertaken for the express purpose of supplying oil on the Pacific coast. It may be, too, that there will be need for greatly increased warehousing space and for more camps on that coast.

Therefore in many ways preparation should be made, and I would ask the minister to explain just what steps have been taken by his department.

Another question with which I should like the minister to deal is the present policy of the government with regard to shipping. I thought that policy was fairly well defined last year when the minister said on May 12, dealing with Canada's shipping policy:

> We expect that the Canadian merchant marine will be a substantial source of employment in the post-war years and that it will be of real benefit to Canadian post-war commerce. That is the policy.

Again last year, the minister made a lengthy speech in Toronto on December 13, and by the way I thought it was a very constructive speech. He had nine suggested objectives for the Canadian people, and objective No. 4 was this:

> Canadians should provide a merchant marine worthy of the dominion's export position.

The Minister of Transport (Mr. Michaud), nods his head. Tonight he seems to agree with that policy. I hope he has had a change of heart, because on December 24 of last year, after his colleague had given that splendid objective to the Canadian people the Minister of Transport—and by the way, he is the man who would have to administer the shipping policy for Canada—

Mr. GRAYDON: He will not be there then.

Mr. GREEN: If the government were there. He used these words, and they are serious for those of us who are interested in shipping. They are serious because they are really defeatist. So that I hope the Minister of Transport has changed his mind and that when he used these words he was not stating the policy of the government. He said this:

> I see no future in Canada going into the shipping business on a big scale after the war. Some of the ships might well be used to develop trade between Canada and the West Indies and South America.

That is the smaller ships, I presume. He went on:

> But to enter competition for trade across the Atlantic and Pacific would be a big undertaking.

The Minister of Transport is nodding his head again. I do not know now whether he is with me or against me. I thought he was with me a few minutes ago. At all events, I say

that is a defeatist policy for Canada, and I suggest to the Minister of Munitions and Supply that he make an announcement to-night, or if he does not wish to do it to-night, then to-morrow, as to what Canada's shipping policy is to be.

When he was speaking of his department the other day he said that Canada's merchant navy at the end of February, 1944, comprised fifty-four 10,000-ton ships, of which ten were tankers, and thirteen 4,700-ton ships, making a total of sixty-seven, all built by ourselves in our own yards and by our own workmen. Then he said that by the end of August of this year we would have thirty additional 10,000-ton ships, of which three would be tankers. That would give us at the end of August ninety-seven ships, less whatever number happened to be sunk in the meantime. In addition, we have an unknown number of ships which have been lent or turned over to the British government, but which are to be returned after the war. I would ask the minister, when he replies, to tell us how many ships Canada has on loan to the British.

We have built up a great corps of merchant seamen. *Canada at War*, No. 33, February, 1944, showed that there were then certified in the central registry at Ottawa 44,498 Canadian merchant seamen. So that we have approximately 45,000 merchant seamen, and we have great facilities for training merchant seamen—men for the engine rooms, men for the decks—and also facilities, I think, for training officers. We have a plan for operating these ships under a crown company known as Park Steamships Limited, which turns the ships over to the different shipping firms under agreements which provide for the payment of a fee for operating them.

So that Canada is now in a position to have after the war a fine merchant navy; a merchant navy, as the minister said in his speech at Toronto in December, that is worthy of our export position. I would ask him to-night to tell the committee the government policy with regard to the merchant navy and, if he can, to tell us what the plan is for operating that merchant navy, and for allotting the ships between the two coasts. To date the allotment has been fair I think, about fifty-fifty, half to the east coast and half to the Pacific.

Perhaps the minister would also tell us at the same time whether Canada has decided to build faster merchant ships. Some of us raised that point last year and suggested that it might be wise for Canada to have some faster ships. So far, we have been building ships with a speed of ten or eleven knots, while the British and Americans are building ships which go about fifteen knots. The minister said on June 11 of last year, dealing with this point:

> From the Canadian standpoint the building of faster ships is a post-war rather than a present-day war problem, for which the necessary advice is now being secured from the best sources.

There seems to be a great deal of uncertainty as to whether this is the wise course. The war expenditures committee reported on this question of the type of ships that should be built. It said, and this appears in *Votes and Proceedings* of January 26, 1944;

> We suggest, however, that efforts should be made to ascertain if construction of such a ship—

That is a faster ship:

> —for post-war use is practicable in Canada with a view to keeping as many yards as possible occupied to meet expected commercial requirements.

There is a great deal of doubt in the United States as to the value of the slow ships in post-war trade. I have here a newspaper report with regard to these 10,000-ton ships in the United States. They are called Liberty ships, which is the American equivalent of the slow ship we are building. It says:

> The remainder will be Liberty type ships, which experts says are not suitable for post-war carrying trade.

So that there does seem to be some doubt whether they will be of much use after the war. In view of the fact that Canada exports largely primary products in bulk, I think many of these slow ships could be used by us. I suggest, however, that some attempt should be made to build the faster ships in Canada.

I would ask the minister to tell us something with regard to the two questions I have raised: first of all, as to the preparations that are being made for Canada to take part in the war in the Pacific; and, second, with regard to Canada's shipping policy as it stands at the present time.

Mr. HOWE: In reply to the first question I would remind my hon. friend that the Department of Munitions and Supply does not set the requirements; they are set out by the chiefs of staff. However, the department is doing certain specialized work in connection with the war in the Pacific, in the nature of maintenance ships and victualling ships, definitely for the Pacific; certain landing craft, definitely for the Pacific, and certain types of weapons definitely for the Pacific war. In the matter of overhaul facilities, these are being strengthened gradually and will be kept ahead of requirements, as far as repair work

on the Pacific is concerned. We are in excellent position, I think, to handle repair work there; we have good drydock capacity and good berthing space for repairs. Just as we have looked after the requirements for the war in the Atlantic, I think we shall be able to look after the requirements of the army, the navy and the air force for the war in the Pacific.

Mr. GREEN: Before the minister leaves that point, will there be any extension of the production of war equipment on the coast? Is that in mind?

Mr. HOWE: No; I would not think so. If we had a factory in Montreal or Toronto producing materials for the Pacific, I am sure my hon. friend would not suggest that we abandon that factory and start a new one on the west coast. I doubt if the level of production on the Pacific coast will increase greatly on account of the war in the Pacific. We have an excellent production machine in full gear which will probably supply the equipment. In ship repairs and perhaps shipbuilding there may be a step-up on that account; and there may be greater activity in the movement of troops.

Mr. GREEN: What about storage room, warehouse room?

Mr. HOWE: We are not in bad shape; we are always building a bit more warehouse space there, and I suppose that will continue. As far as the merchant fleet is concerned, as my hon. friend says the Canadian fleet at the moment includes sixty-nine new ships, and thirty more will be added during the current year. The hon. gentleman asked for the number that have been delivered to Britain. That number stands at eighty-eight at the moment, and additional ships will be built for operation by the United Kingdom during the coming year.

Mr. GREEN: Those are all returnable to Canada after the war, are they?

Mr. HOWE: Yes. In addition, we have sold ninety ships to the maritime commission for cash. Of course those have passed out of our possession.

Mr. GREEN: That is to the United States?

Mr. HOWE: Yes. In the early days of the war we sold two ships to Britain for cash, and we have also lent one ship to Australia. The policy of the government is, I think, the same as the policy being followed in the United States and the United Kingdom. The routes for the ships and the trades to be served are determined by a shipping board. The Canadian shipping board determines the services which these boats shall perform. Actually the boats are managed by established operating companies, for a fee. All the earnings of the boats are returnable to the government through Park Steamship company Those earnings are substantial; I notice that Park Steamship company already has turned over to the receiver general some $10,000,000 of earnings from those ships. We expect that at the end of the war, as far as the Canadian fleet is concerned, the cost of the boats will be written down considerably. Possibly some will be fully paid for, which will put the fleet in a strong position for the post-war years.

There is a tendency, and I think an undue tendency, to belittle the type of tonnage that makes up the Canadian merchant marine. The ships that we have built have been progressively improved since we started, and are all first-class tramp tonnage, better than any tramp tonnage that existed before the war. I think every practical shipping man will agree that they are the best design for boats of their class that anyone knows of at this time. They are the type of boat that has always carried eighty-five per cent of Canada's export trade. There is a need, based on pre-war business, for about 150 of these ships, to move exports from the west coast to their markets, and we hope that post-war levels will require an even larger number of these ships. I am happy to say that we shall be able to supply ships of Canadian ownership for these trades.

Mr. GREEN: Did the minister say 150 ships from the west coast alone?

Mr. HOWE: Yes. Similarly, based on pre-war movements, seventy-five ships will be required for export movement from the east coast, for bulk commodities. I think at the end of the war our fleet will be sufficient to take care of both requirements. The cargo that goes into boats of this class is of the type that is handled as freight on our railroads. Express shipments ordinarily would go in faster tonnage. As far as this country is concerned, tramp tonnage in the past has not required subsidy, whereas every boat of the express type has required an operating subsidy from the Canadian government. Further, it is a fact that the high speed boats and express service boats are built for special trades and special operations. They are not boats that can be built under conditions of mass production with any probability that they would suit the requirements of the trade for which they were designed. Therefore it seems to us and to our expert advisers that it is not wise at this time to attempt to go

into the passenger steamship building or the fast freighter building in a big way. We hope the efficiency of our yards will be such that at the end of the war we shall have requests from operators of liner services to build their ships in Canada.

Mr. GREEN: That is passenger boats, as well as fast freighters?

Mr. HOWE: We will welcome that business and do all we can to encourage it. But as far as the present building programme is concerned, we are building a ship that we know Canada will need, ships that will stand on their merits, ships that will be the backbone of any post-war merchant fleet that Canada will require. Does that cover the point?

Mr. GREEN: There is great concern as to whether or not the shipbuilding industry will be able to survive after the war. As the minister knows, after the last war the shipbuilding industry collapsed, and in the back of everyone's mind there is the feeling that the same thing may happen after this war. I am delighted indeed to hear the minister say tonight that the plan is to increase our merchant fleet, and that apparently it is the intention of the government to maintain a Canadian merchant navy. But can he give any assurance to the Canadian people that the Canadian government is determined to maintain the shipbuilding industry after the war? I realize that it could not be on anything like the scale of to-day, but I do hope some definite word can go out to the country that the government intends to see to it that our shipbuilding industry is maintained. Perhaps it would be necessary to subsidize the building of ships; in the United States they have long since decided that this was a wise policy. It might be possible to keep the industry up by government orders. The minister knows, just as I do, and other members of the committee, that it will be a difficult problem to keep the shipbuilding industry going steadily after the war. Yet it does seem to be one of those industries of which Canada has the greatest need. I think it should definitely be a government policy that we are determined to have a shipbuilding industry, even if in the beginning it cost money. Can the minister go so far as to say that it is the intention of the government to foster shipbuilding in Canada in the post-war years, or, in other words, that steps will be taken to see to it that the industry does not shrivel up, once the war is over.

Mr. HOWE: I have always understood my hon. friend to be a great exponent of free enterprise. I can point out to him that we have established in Canada a first-class shipbuilding industry, with extensive facilities that will be written off during the war period. Ours will be low-cost yards, so far as overhead goes. Ours will be efficient yards. Our shipbuilding costs are very satisfactory, and they have been coming down steadily.

Mr. GREEN: What are they now? What is the cost of one of these ships?

Mr. HOWE: I delivered an oration on that subject this afternoon, stating that I do not give costs. I am sorry my hon. friend was absent.

Mr. GREEN: Oh, I was here.

Mr. HOWE: It did not register, then.

Mr. GREEN: Mr. H. R. MacMillan, formerly head of Wartime Merchant Shipping, gave certain figures in Vancouver on January 13. He said that these ships were turned out at from $1,300,000 to $1,500,000 each, as compared with $900,000 in British yards and $2,000,000 in the United States. And, considering everything, he regarded this an excellent showing for Canada.

Mr. HOWE That is not far off. The Canadian position is a little better than that now since each ship costs a little less than the preceding one. Yards that were out of line in the matter of cost are coming into line. We have a very good showing from our shipyards at the present time. Naturally, for the reasons I gave this afternoon, the larger yards build ships more cheaply than do the smaller ones, and the older yards usually do better than the new ones. However, the difference is not great.

Mr. GREEN: Some of them are very efficient.

Mr. HOWE: Yes; there are some very efficient yards in Canada. Our shipbuilders will be in an excellent position to compete. We have taken steps to improve the competitive position. We have brought into Canada a very strong designing firm, so that if anyone comes to Canada wanting a ship for any particular service, and can give us the requirements, the ship can be designed here in an efficient manner.

Mr. GREEN: Does that include passenger ships?

Mr. HOWE: Yes. And we have taken such steps as we can at this stage to place our shipyards in a strong position, so that they may compete. I sincerely hope and believe that a policy of subsidies will not be necessary. I think an aggressive policy of salesmanship will keep our yards busy. I know that at this

time, if the yards were not occupied in war work they would be able to take on a good deal of private work. They have not been able to take such work, on account of the requirements of war. My hon. friend would not ask me to go farther than that, but I hope if he comes into office he will not immediately jump into the business of subsidies.

Mr. GREEN: I agree with the minister; it would be far better if subsidies were not necessary. But I said it might come to that stage, rather than let the industry die out.

Mr. HOWE: That, I understand, is a philosophy of despair. I prefer to be hopeful.

Mr. ROSS (St. Paul's): Do the minister's remarks apply to great lakes points, as well?

Mr. HOWE: Great lakes yards are busy at the present time, and are likely to be busy for some considerable time. The type of boat which can be built on the lakes is restricted, either to tonnage for the great lakes, or to tonnage which can pass through the St. Lawrence canals. There is every indication that there will be business for great lakes yards for some considerable time.

Mr. NICHOLSON: I should like to ask the minister about another matter. Two years ago he discussed at some length the Pogue carburettor. Might I point out to him that another carburettor has been patented by the editor of one of the newspapers in my constituency. I know this public-spirited citizen very well, and I understand he has offered the Department of Munitions and Supply the opportunity to use his discovery. I find that the rural municipality has passed a resolution urging that this gasoline saver, which has been tested and is reported to have done 130 miles to a gallon, should be investigated. In view of the fact that this department is spending over $8,000,000 a day of the people's money, the very small amount of money involved in testing this carburettor would be insignificant.

I believe that some day some person will discover a carburettor which is an improvement on any at present on the market, and there is no reason why the editor of a newspaper in a small country town, a man with a creative mind, and one who has been willing to spend a considerable sum of money, many hours of time and to use a large amount of material, should not discover something of importance. Would the minister make a statement as to the policy of his department? Is it interested in spending small sums of money in testing inventions of this kind?

I understand that Mr. Augustus, who is the editor, and his partner Mr. Melnyk, have offered this invention as a service to the country. They have suggested that if it is of any use the government should pay them how it likes, when it likes and if it likes. Nothing would appear to be fairer, and I should imagine it would be sound policy for the minister's department to test this invention, and satisfy the people in that community as to whether it has or has not any merit.

Mr. HOWE: The policy of the government toward inventions is liberal and advanced. We have a board known as the dominion inventions board, composed of the best scientists in Canada. All my hon. friend needs do is to submit his carburettor to that board, and if the board reports that the invention has promise, he will find large sums of money available for its development. If, on the other hand, the board reports unfavourably, he can do what he likes with his invention, but he can get no help from any department of government in connection with it.

Mr. NICHOLSON: That is fair enough; but my information is that the inventor has offered it to the department, and that nothing has happened.

Mr. HOWE: It is quite useless for your friends to offer it to my department; they must offer it to the inventions board. If the board decides that the invention has merit, my department will then be very much interested in it. But until then we have no interest whatsoever in the invention.

Mr. NICHOLSON: I think the minister's department might show the courtesy of writing the inventor, suggesting what action should be taken, or that it should turn the letter over. My complaint is that he did not receive any information from the department.

Mr. HOWE: Undoubtedly the letter has automatically been handed to the inventions board. All letters of that kind are handled in that way.

Mr. JOHNSTON (Bow River): I should like to say a word about carburettors. A couple of years ago I spoke on several occasions respecting the Pogue carburettor. But, so far as I know, nothing has come of it—although I think the government did spend some money in experiments. May I suggest that this government is not giving enough encouragement to people who have invented carburettors, to see whether or not there is any merit in those inventions.

I know the minister may be irritated at times because a great number of persons come in to him with the information that they have inventions respecting new types of carburettors which will do this or do that. The tendency is to brush them aside, and to put

the onus on them to prove the value of their invention. In my opinion that is not the proper procedure.

Let me tell the committee about an experience I had in this city. Almost a year ago a man who lives here in Ottawa came into my office in this building with an attachment to put on a carburettor. He told me that he was not trying to sell it and that he did not care whether the government used it or whether I used it, but he told me that his experience had been that this attachment would increase the efficiency of the carburettor by twenty to thirty per cent. He gave me this thing and I took it home. I did not brush off the idea lightly; I put it on my car. I did not have all the mechanical things with which to test it, but I filled up my car and drove a hundred miles and I found that this attachment raised the gasoline mileage from twenty to twenty-seven miles a gallon. My car was a 1941 Chevrolet. I was not satisfied with the one test; I tried another and I found it did the same thing.

Mr. McCUBBIN: I would not give that to any government.

Mr. JOHNSTON (Bow River): Probably you would not give it any consideration. That attachment increased the efficiency by twenty to thirty per cent. I venture to say that it would not cost the government more than three cents apiece to make these things. I brought up this matter before because I was much concerned about it. If the government is not concerned in saving twenty-five or thirty per cent of our gasoline, why should anyone else be? If the government wants it, I am ready to give them all the information I have. I will not go any farther than that because I am not concerned with it. I would think that when we are so urgently in need of gasoline it would be worth while to investigate some of these things.

Mr. MARTIN: Was it sent to the inventions board?

Mr. JOHNSTON (Bow River): Not that I know of.

Mr. REID: There is a matter I should like to bring up which is somewhat different from the other questions that have been raised. I refer to the use of daylight saving time. When the regulations putting this time into effect were brought in back in 1939 or 1940, the minister pointed out that this action was being taken because of the necessity of conserving electricity. Many people throughout Canada, particularly those in the country districts, feel that we should go back to ordinary time, especially in the winter time. It has been found extremely difficult to get children off to school in the dark. When one looks around the city of Ottawa and other cities during the winter time it is hard to see where any real saving has been achieved by the enforcement of daylight saving time, because in most buildings, and in this one too, all the lights burn throughout the entire day. I wonder if the introduction of daylight saving has brought about the saving in electricity that was expected. Has any consideration been given to going back to regular time?

Mr. HOWE: Consideration is being given from time to time to requests similar to the one being made now by the hon. member. It might be worth while to tell hon. members what the effect would be. In the maritime provinces it is estimated that the demand for power would be increased by approximately ten per cent if standard time were restored. The existing generating facilities are already heavily loaded and the reserve capacity is barely adequate for present requirements. An increase of approximately ten per cent in the maximum demand would be undersirable at the present time.

In the province of Quebec the demand for power in the metropolitan areas would be increased by over 60,000 horse-power. The reserve generating capacity at present available to the interconnected power systems is not sufficient to permit the absorption of such a large additional demand with safety.

In Ontario the demand for power would be increased by over 75,000 horse-power. At the present time Ontario is short of peak power. An additional demand of 75,000 horse-power would be unfortunate at this time and during certain hours would require reductions of power now being delivered.

In the prairie provinces the power systems have for the most part sufficient generating capacity to carry the increased demand without inconvenience. In British Columbia the demand for power in the Vancouver district would be increased by approximately 13,000 horse-power. The generating stations in the district are already heavily loaded. If the demand should be increased by 13,000 horse-power the amount of power required at times of maximum use would exceed the combined capacity of the available hydro plants and the reliability of service would be endangered. The prairies would appear to be the only area that could go back to old time as far as the power situation is concerned.

Mr. KNOWLES: Mr. Chairman, I should like to complete the remarks I was making this afternoon when I was pointing out the

ways in which government policy in connection with the synthetic rubber plant at Sarnia is concentrating power in the hands of a few private companies. I referred to the manner in which private companies have been called in to operate this government-owned plant and also to the fact that enlargements of private rubber plants were being financed by the government. I referred to the large orders which have had to be given to these companies. The point I was making was that public funds are being used to strengthen the position of a few private companies in the rubber industry. And yet, after the war, the consuming public when purchasing rubber goods will have to pay prices that will provide profits to these private companies despite the fact that the stronger position of these companies has been brought about by the use of public funds which were made available to them in the interests of the war effort.

This recognition of the problem created by the concentration of power in the hands of a few companies is to be found not only in this group, but also in other quarters. I should like to quote from page 31 of *Saturday Night* of March 18, 1944, as follows:

> To an extent as yet undetermined the concentration of industrial capacity has been increased by reason of the unavoidable reliance placed upon large producers in securing war supplies in the shortest possible time.

That is a very good statement of what has actually taken place. If I may quote further:

> This fact must be faced so that we may begin to think of the means which must be developed to ensure that those producers who will hold a monopoly or quasi-monopoly position in the post-war period will make full use of the productive capacity which they will control, and not endeavour to maximize profits by curtailing output or maintaining prices at high levels.

I have given that quotation to indicate that others, like those in this group, are worried about the problem created by this concentration of power in the hands of a small number of private corporations. Hon. members will readily recognize that we do not feel that the proposals suggested in the quotation which I have read will meet the problem. Our view is that when power has been concentrated there is only one place to put it in order to make sure that it will not be used against the public good. The place to put that concentration of power is in the hands of the people themselves.

I should like to take a moment to read briefly from an address given in Washington, D.C., on February 12, 1943, by Wendell Berge, assistant attorney general of the United States. The subject of his address was in the form of a question, "What shall we do about cartels in the post-war period?" I consider that his statement with respect to cartels applies to monopolies in general, and that the points he made are points which indicate what may be the outgrowth of the policy being pursued by the government at the present time. I quote from Mr. Berge:

> In general, cartels restrict rather than promote trade. Cartels typically engage in such practices as dividing fields of operation and market areas between members so as to eliminate competition, restricting production by agreement, and fixing prices so as to avoid price competition. They also promote various kinds of patent licensing contracts which enable them to control and limit the use of new inventions and thus restrict the benefits of technological advance. The effects of these practices include reduced production and employment, higher prices and profits, retarded spread of technological improvements and a lower standard of living.

It is this sort of thing which—frankly—we are afraid of in the post-war period, because of the kind of concentration which has been made necessary by the "unavoidable reliance placed upon large producers for the procurement of war supplies in the shortest possible time." That, indeed, is the reason we have called attention to government policy with respect to the Aluminum Company of Canada, Canadian Industries Limited, Canadian Pacific Air Lines, and, now, the situation with respect to rubber. As I said a few days ago, we are pleased that the government has realized what a private corporation such as the Canadian Pacific is able to do in a short space of time when it is given unlimited opportunity and a free hand. We are glad that the government has decided to take certain steps even though they may not go far enough, in connection with that problem. We feel that this question of rubber calls for the same kind of approach. Our position is that when, under the necessities of war, power has to be concentrated as it is, the people of this country and the government must think in terms of extending the principle of public ownership. That is the only way by which one can make sure that the benefits of modern science and of technological development will accrue to the people as a whole. That is our concern. We feel that we have had an expression of that principle in the period of war. It has been necessary to get goods produced to wage the conflict in which we are engaged, and to the extent that those goods are produced and used for our common defence they are being used for the benefit of the people as a whole. In that sense the benefit of the accelerated war-time production and technological improvements accrues to the people. We want to make sure that these benefits will likewise

accrue to the people of Canada as a whole, not to private corporations or private finance, when the war is over. Therefore, I urge that the house and the country face the fact that, as economic power becomes concentrated, there is only one place to put it so as to be sure that it will be used for the benefit of the people, and that is in the hands of the people themselves. That is our position. We in this group believe that it is the only answer to one of the greatest problems which has been created during the present war.

Mr. HOWE: May I make a few remarks in reply. My hon. friend, I think, has been preparing a speech for the hustings. He cannot be serious about what has happened and what has been done at Polymer.

Polymer is a plant owned by the people of Canada. It is a public ownership plant. I have a good deal of experience with public ownership and with private ownership. I have been an industrial engineer in this country for practically thirty-five years. I have worked almost continuously for governments and for private interests, both. Perhaps I have carried out more work measured in dollar value for private interests, but I have worked for every government in this country during every year, beginning in 1912.

Mr. KNOWLES: We might give you a job, too.

Mr. HOWE: Public interests are just as capable of building a plant as private interests. The whole test is in the operating.

Mr. MacNICOL: Exactly.

Mr. HOWE: If we could guarantee that governments could operate plants as efficiently as private interests there would be a very good argument that public ownership is better than private ownership. That could be argued. The difficulty is this: if a private industry is not well managed—and plenty are not—it will go broke in a short time, be reorganized, and put under more efficient management. Under public operation that usually does not happen.

Mr. BLACKMORE: Hear, hear.

Mr. HOWE: It goes steadily down grade. It is allowed to go down grade, unless it becomes enough of a scandal, when the government is very apt to get rid of it and pass it to private hands.

Mr. CASTLEDEN: Like the Canadian National Railways!

Mr. HOWE: I have started a good many public operations during this war. In every case I have tried to put them under efficient management, the management will make them a public enterprise to serve the country well. My hon. friend is quite wrong about Polymer. The Polymer corporation is operated by a board of directors, men placed there by the government to have an over-all supervision of the business operation of the plant. The board of Polymer recommend to the government the contracts to be made for the purchase of raw materials, and they have full responsibility in advising the government as to the distribution of the product and as to the price. There are certain very involved technical processes in the plant which are divided into three parts: the butadiene production, which is operated by a subsidiary of Imperial Oil; the styrene process, which is operated by a Canadian subsidiary of the Dow Chemical company; and the polymerization plant, which is operated by a company organized by the four rubber companies which have research laboratories in Canada, as well as a complete knowledge of the kind of rubber required by Canadian industry. Why is that so? The reason why Imperial Oil were asked to organize the management of the butadiene end is that Imperial have a very large research staff, a trained organization in that special line of production. It was felt that their management would be progressive; that if improvements were brought into the industry they would be put into the polymer plant; and we would be sure at all times of a modern and efficient operation of the butadiene end. It might be asked, why not pick two or three men from the Imperial organization, hire them and put them in charge? It requires more than the knowledge of one or two men; it calls for the knowledge of a strong organization backed by a research laboratory and by trained research chemists who will advance the art and apply the advancement of industry to the process they have in hand for polymer.

St. Clare Processing company receive a fee for their scientific management of that particular operation. They have nothing whatever to do with the cost of the product at any stage. They simply have a process to manage, and their duty is to carry out that duty as efficiently as possible. The same applies to the Dow Chemical company, which invented the process for the production of styrene. That company is by far the largest producer of styrene on the continent, and the only company that has full knowledge of the art of that particular production. There again we know we have a management that will be as good as any that can be obtained anywhere and that our process will not be allowed to be outmoded. We shall always be up to date on that process.

As regards the polymerization end, we are making rubber to be used by the Canadian

trade. We want to make the kind of rubber that the trade can use for the purpose of making tires and other finished products which the Canadian people will require. Naturally, we choose the operators of that process from among men who know the requirements of the trade, who know what rubber is and what grades of rubber are required for different products. Here again, these men have nothing to do with the distribution of rubber. They simply make rubber of the required grades, and after it is manufactured it is priced and distributed by the directors of the Polymer Corporation or by such agencies as the government may appoint for the purpose.

It is absurd to say that any one of these men profits unduly by the operation or gets any advantage over competitors. It is just as important to the smallest rubber user in the country to have the quality of rubber from polymer suitable to his needs as it is to the largest company, and the people of Canada as a whole will benefit from polymer only as the product is made cheaply and of the best possible quality.

I hope my hon. friend will refrain from using the line of argument he did to-day. I think it is a little beneath him. The only danger to public ownership is that my hon. friend might get into a position of responsibility and allow his prejudices against certain large firms and against combines and cartels, to interfere with his obligations to keep the management of these great plants, built at government expense, in an efficient state. That is the real menace to government ownership.

Mr. KNOWLES: I will not take time to argue with the minister, because as a matter of fact anything I would say I have already said in the course of my remarks this afternoon and to-night. I would comment, however, on his statement, in his reply that I was quite wrong in my understanding of the set-up. Anyone who reads *Hansard* will find that the minister and I have described the set-up in language that is almost identical. Where we differ is in our interpretation as to what will be the post-war result of the procedure the government has adopted. I have placed on *Hansard* my view of what that development will be and I am prepared to let it stand at that.

Mr. HATFIELD: At what speed are cargo vessels being built to-day?

Mr. HOWE: There is little variation between different types. It is between eleven and eleven and a half knots an hour.

Mr. CASTLEDEN: I have a few remarks to make on another phase of the work, namely, the disposal of plant, material, machinery and equipment. Canadians have spent through the department about ten billion dollars on war equipment, and of necessity there will be billions of dollars' worth of material which will be surplus to war requirements. As the war draws to its close, they will become valuable for use in one way or another in Canada. During war time Canadians have been very patient about having certain facts about production kept secret. As the war recedes, people will want to know more and more about what is being done now, and it is necessary that Canadians should be thoroughly informed of the disposal of goods. Canadians would like to feel that they have control of the disposal of these goods. They will want to know what persons decide what shall be done with surplus materials and how those persons have been chosen who have charge of the work. As regards the manner of disposal, do those people who have been given this responsibility ask for tenders in the disposal of goods, or do they make the complete decision as to prices themselves? After they have made that decision, do they keep an itemized statement of accounts of everything, and are those records available to the representatives of the people in the house? What opportunity will the Canadian people have of purchasing these goods for domestic purposes, and who will decide whether or not they shall be so used?

Will the minister give a complete statement on that, particularly that phase of the subject with regard to giving people information as to what has been done? Order in council 9108 was passed in November and the minister said then that there was an emergency. Since that time, pursuant to the order in council, it has been found necessary that a committee be set up to make a report. On February 10 last the report was tabled in this house and it said absolutely nothing with regard to disposal. If there was some emergency at that time with regard to the disposal of some goods, and the disposal was made, what record is there of it?

Mr. HOWE: This is a little aside from the discussion. I made a complete statement on the matter. During this session a bill confirming the disposal arrangements will be before parliament and at that time we can have full discussion. All I can say at the moment is that surplus materials are first examined by a committee, made up largely from the civil service at Ottawa, to determine whether they are surplus, and if they are, they are turned over to the disposal corporation for disposal. The corporation is just getting under way. I assure my hon. friend that there will be the

fullest disclosure of every transaction, and I shall be prepared to discuss the matter in great detail when the bill is before the house.

Mr. CASTLEDEN: Would it be in order to have the order in council put on the record?

Mr. HOWE: It was tabled long ago.

Mr. CASTLEDEN: Could it be put on the record?

Mr. HOWE: I do not know that it can be more on the record than having it on the table. If the hon. member will get it and put it on the record himself it will be all right with me.

Mr. CASTLEDEN: With the permission of the house I should like to have the order in council put on the record complete. I do not want to take the time of the house in reading it. I should also like to put on *Hansard* the first report of the activities of the War Assets Corporation Limited and the Crown Assets Allocation committee.

The ACTING CHAIRMAN (Mr. McCann): Has the hon. member unanimous consent? Then that is agreed.

Mr. CASTLEDEN: Thank you, Mr. Chairman, the documents are as follows:

Order in council establishing The Crown Assets Allocation Committee and authorizing the incorporation of War Assets Corporation, Limited.

P.C. 9108

At the Government House at Ottawa
Monday, the 29th day of November, 1943.

Present:

His Excellency the Governor General in Council:

Whereas the Minister of Munitions and Supply reports that substantial stocks of surplus assets, the property of the government of Canada are currently being created as a result of changes from time to time in war production programmes, the progress of the war, the development of new types of equipment and other factors;

That it is desirable and in the public interest that surplus assets owned by the government should be dealt with in such manner as to cause the minimum of dislocation of the economic structure of the country so as to assist in the orderly transition to a peacetime basis of production, following the cessation of hostilities, of industries which during the war period have been wholly or substantially engaged in production for war purposes; and

That in his opinion, a suitable mode of procedure, to meet the current situation, would be:

(a) for the governor in council to direct, that each government department or agency should survey and investigate all lands, buildings, structures, plant, machinery, equipment, articles and things (including munitions of war and supplies as defined in The Department of Munitions and Supply Act), and any interests therein or parts thereof, which are held or administered by it, with a view to the determination of the types and quantities of such assets which are surplus to the needs of such department or agency;

(b) to constitute an inter-departmental committee which will be charged with the duty of obtaining reports from government departments and agencies with respect to such surpluses and of receiving and dealing with applications from any department or agency for any assets which are surplus to the needs of the department or agency holding or administering such assets, and of formulating and recommending general policies with respect to the disposal of assets which are surplus to the needs of the government;

(c) that the general policy with respect to the disposal of or dealing with such surplus assets should be determined by the governor in council and that the governor in council should give such general or specific directions as may from time to time be necessary with respect to the determination of such surpluses as aforesaid and the use or disposal thereof.

(d) to create a company which will act as the agent of the government and will be charged with the duty of disposing of or otherwise dealing with surplus assets from time to time transferred or consigned to it and of making recommendations on matters of policy and courses of action with respect to such surplus assets or which in the opinion of the company will promote the national well-being of Canada.

Therefore, His Excellency the Governor General in Council, on the recommendation of the Minister of Munitions and Supply and under and by virtue of the powers conferred by the War Measures Act, the Department of Munitions and Supply Act, and the War Appropriation Act No. 2, 1942, is pleased to make and doth hereby make the following order:

Order

1. The term "surplus crown assets" where used in this order means any land, buildings, structures, plant, machinery, equipment, scrap, materials, articles or things, or any interest therein or any part thereof, and all munitions of war and supplies as defined by the Department of Munitions and Supply Act, which are owned or controlled by the government of Canada or any agency thereof and which for the time being, or from time to time, are surplus to the current or probable future requirements of the war programme of Canada or the needs of the government of Canada or any agency thereof.

2. It shall be the duty of each government department and agency from time to time to survey and investigate all lands, buildings, structures, plant, machinery, equipment, munitions of war and supplies, scrap, materials, articles and things, and any interests therein or parts thereof, from time to time on hand in or administered by such department or agency and to report from time to time to the allocation committee hereinafter mentioned the assets which are or are likely to become surplus to the needs of such department or agency.

3. There is hereby established under the Minister of Munitions and Supply, or such other minister as may be hereafter designated by the governor in council (hereinafter referred to as "the minister"), an interdepartmental committee, to be known as the "crown assets allocation committee" (hereinafter referred to as the "allocation committee") having the powers and duties hereinafter set forth.

4. The allocation committee shall be composed of:

(a) a full-time paid member, to be appointed by the governor in council, who shall be chairman;

(b) a member to be designated by the Secretary of State for External Affairs;

(c) a member to be designated by the Minister of Munitions and Supply;

(d) a member to be designated by the Minister of National Defence;

(e) two members to be designated by the Minister of Finance, one of whom shall represent the administrative services of the Department of Finance and the other shall represent the wartime prices and trade board;

(f) a member to be designated by the Minister of Public Works;

(Each of the aforesaid ministers may designate an alternate to act on the said committee in the absence of the member appointed by the said minister respectively.)

(g) the president of the company hereinafter referred to:

(h) a person to represent labour, another to represent agriculture and a third to represent the householders of Canada, all to be designated by the governor in council.

The tenure of office of the members of the committee shall be during pleasure and until parliament shall have passed legislation dealing with the disposal of surplus assets of the crown.

5. The allocation committee shall have power:

(a) to require any person, firm or corporation or government department or agency to furnish such facts, data, reports, information or recommendations with respect to actual or probable stocks or supplies of surplus crown assets, or the disposal thereof, as the committee may from time to time deem fit;

(b) to employ or utilize the services or assistance of any person, firm or corporation whose services or assistance the committee may consider to be necessary or useful in the carrying out of any of the duties or powers from time to time charged or conferred upon or vested in the committee; provided that any remuneration to be paid to any such person, firm or corporation shall be subject to the approval of the governor in council.

6. It shall be the duty of the allocation committee:

(a) to survey and make investigations with respect to lands, buildings, structures, plant, machinery, equipment, munitions of war and supplies, scrap, materials, articles and things, and interests therein or parts thereof, reported by government departments or agencies as being from time to time on hand or which are likely to become available, and to report from time to time to the minister regarding the types and quantities of such assets which are or are likely to become surplus crown assets;

(b) to consider representations made by any government department or agency with respect to surplus crown assets or the disposal or use thereof; to authorize the transfer of assets from one department or agency to another, under such terms and conditions as the committee may decide; and to report to the minister with respect to the foregoing;

(c) to formulate and recommend through the minister to the governor in council general policies or plans for the use or disposal of or dealing with surplus crown assets, and, without limiting the generality of the foregoing, to submit for consideration proposals with respect to surplus crown assets

(i) which might serve administrative needs of provincial governments, municipalities, and other like bodies;

(ii) which might be distributed in distressed areas;

(iii) which, for reasons of public policy, should not be offered for sale in Canada, or should be converted back to basic materials, or should be withheld from the market for the time being, or should severally be the subject of direct action by the governor in council;

(iv) which should be consigned or transferred to, or placed under the control of the company hereinafter mentioned;

(v) in which the crown has only a limited interest;

(vi) which consist of industrial plants, or parts thereof, which are complete operating units; and

(d) to exercise and perform such other duties and make such other investigations and reports as the governor in council or the minister may from time to time direct.

7. Authority is hereby granted to the Minister of Munitions and Supply to procure the incorporation of a company under the name "War Assets Corporation Limited", or such other name as the governor in council may select or approve, for the purpose of holding, managing, disposing of and dealing with surplus crown assets which are consigned to it by the governor in council. The names of the Directors of the said Company shall be submitted to and approved by the governor in council on the recommendation of the minister.

8. The said company shall be deemed to be an emanation of the crown, and, in exercising the powers and/or discharging the duties conferred or charged upon it, the company shall be deemed to be an agent or the servant of His Majesty.

9. The company shall be responsible to the minister and all of the shares in the capital stock of the company, from time to time issued and outstanding, other than the qualifying shares of the directors, shall be held by the minister in trust for His Majesty the King in right of Canada.

10. The minister is hereby authorized to take and cause to be taken all necessary steps to cause the incorporation and organization of the said company to be duly effected and to ensure that it shall be enabled to exercise the powers and perform the duties necessary to accomplish the purposes set out herein. The minister may, for the purpose of providing the company with working capital, make available to the company, by way of payment for shares to be allotted to and held by the minister in trust for His Majesty, or by way of accountable advances, an amount or amounts not exceeding in the aggregate the sum of $5,000,000, such amount or amounts to be allotted or made available for such purposes to the Department of Munitions and Supply out of the moneys appropriated by parliament by means of the War Appropriation Acts.

11. The governor in council may consign or transfer to the company crown assets which have been declared by him to be surplus to the administrative or operative needs of the government of Canada or any agency thereof. Con-

signments or transfers may be made by either specific or general direction, and shall be accepted by the company as being subject to any reservation or direction associated therewith, and to any instructions given by the minister with respect thereto.

12. The company shall have power, subject to the general or specific instructions of the minister,

(a) to hold, manage, operate, dispose of or deal in and with surplus crown assets consigned or transferred to it, in such manner as it may decide, subject only to any conditions and instructions stipulated at the time of consignment or transfer or in any agreement between the company and the crown.

(b) to convert back to basic materials any surplus crown assets consigned or transferred to it;

(c) to withhold from Canadian or world markets, for such time as it may decide, all or any portion of any surplus crown assets consigned or transferred to it;

(d) to effect sales of surplus crown assets consigned or transferred to it, in such manner and upon such terms and conditions as the company may decide;

(e) to create or appoint advisory committees and/or to procure the incorporation of subsidiary companies and to delegate to any such advisory committee or subsidiary company any of the powers or duties conferred or charged upon the company;

(f) to cause the title to any surplus crown assets consigned to it to be vested in the name of the company; and

(g) to do such other acts and things as may be stipulated or authorized by the governor in council or by the minister or as may be incidental or conducive to the attainment of the objects and the exercise of the powers of the company.

13. The company shall advise the minister with respect to any policy or course of action which in the opinion of the company would (a) promote the intent and purposes of its incorporation, or (b) further the purposes of this Order or the national well-being of Canada. The company shall also make such other reports and exercise and perform such other duties as the governor in council or the minister may from time to time direct.

14. Upon the company being incorporated and organized, an agreement with the company, providing for the management and operations of the company and the duties to be performed by it, shall be negotiated by the minister and shall take effect as and when such agreement is approved by the governor in council.

15. This order shall take effect from the date hereof, but until the governor in council or the minister otherwise directs, transfers of inventory items between departments and agencies of the government of Canada, and sales of any such items, may continue to be made under any regulations or authorizations heretofore in force and applicable thereto.

16. The minister shall submit to parliament, within fifteen days after the commencement of the session, a report upon the operations of both the allocation committee and the company.

Certified to be a true copy.

A. D. P. Heeney,
Clerk of the Privy Council.

War Assets Corporation Limited

Pursuant to order in council P.C. 9108, dated November 29, 1943, War Assets Corporation Limited was incorporated under the Dominion Companies Act, by letters patent dated December 8, 1943, with an authorized capital of $5,000,000 divided into 50,000 no par value shares, of which 2,500 shares are issued for an amount of $250,000.

With the exception of directors' qualifying shares the issued stock is held in the name of C. D. Howe, in trust for His Majesty the King in right of Canada.

Following are the directors and officers of the corporation:

Directors: Messrs. J. B. Carswell, Wilfrid Gagnon, Lt.-Col. Goodwin Gibson, A. C. Guthrie, John Knox, Hugh Lawson, J. P. D. Malkin, A. T. O'Leary, J. J. Perrault, R. D. Purdy, J. B. Ward.

Officers: president, J. B. Carswell; vice-president, Wilfrid Gagnon; general manager, Hew M. Scott; secretary-treasurer, F. O. Peterson.

An executive committee of the directors is composed of the president, vice-president, and Messrs. Guthrie, Lawson, and Perrault.

The head office of the corporation is in Montreal.

No surplus assets have been consigned to the corporation and the agencies and methods of disposal in existence at the time P.C. 9108 was passed are still functioning.

The attention of the officers of the corporation has, to date, been devoted almost entirely to the task of setting up, in collaboration with crown assets allocation committee, such operating procedures and controls as seem best designed to accomplish the objects for which the corporation was formed. This has included, *inter alia*, the making of arrangements for the opening of an Ottawa office of the corporation to be located in the buildings occupied by the Department of Munitions and Supply, and to work in close cooperation with officers of that department and of the crown assets allocation committee, thus avoiding duplication of effort and of staff.

Crown Assets Allocation Committee

The committee was established on November 29, 1943, its membership consisting of the following:

Officers: Chairman, J. P. Pettigrew; secretary, C. A. Geoffrion; asst. to the chairman, F. M. Mathias.

Members: Messrs. P. R. Bengough, J. H. Berry, J. B. Carswell, Col. H. DesRosiers, Donald Gordon, W. D. Matthews, E. P. Murphy, B. G. McIntyre, Louis Philippe Roy, Mrs. C. H. Thorburn, Mr. Finlay Sim.

The committee has held three meetings. The committee's work to date has been devoted almost entirely to organization and the development of lines of procedure as between the committee and War Assets Corporation Limited. The committee has been in close touch with officers of the Department of National Defence, and surveys are now under way to determine surpluses of materials and equipment which now exist in those departments due to obsolescence and changes in strategic requirements. Similarly, the committee is working with the Department of Munitions and Supply in an effort to set up a procedure for determining and clearing surpluses which may result from time to time from reductions or changes in production programmes.

Mr. STIRLING: There is a little information I have been waiting to ask the minister for. He made a reference to the destroyer programme; he referred to one having been launched and said that the turbine units will be installed this summer, boilers having been installed. Would he tell the committee to what extent the armament, boilers and fittings of various descriptions including the machinery are Canadian made? Will the destroyers be Canadian-built from hull to topmast?

Mr. HOWE: The purpose of undertaking the building of destroyers in Canada was to develop the art of building destroyers here. The intention was that they should be Canadian built in every particular. We have gone into the building of the type of turbines used in destroyers, we have developed engines for them, and we are developing every item of a destroyer. The purpose is also to be able to make repairs here and to increase the fleet. We did it knowing that the cost would be higher than the cost of building the same ships in England. We think the cost is not going to be tremendously higher. The first ship always costs more than repetitive ships. We estimated that the time required would be about one year longer than in the old country, but the indications are that it will not be as much as that—perhaps eight months longer than the Tribals we have had built in the United Kingdom during the war. We are developing the art of building destroyers in this country. As my hon. friend knows very well, a destroyer is a complicated ship. It is more difficult to build than a cruiser, which is a larger ship but less intricate in its arrangements. I think we are introducing a valuable type of knowledge that will be very useful in our future development.

Mr. STIRLING: Does that cover armament as well?

Mr. HOWE: Yes. I think the biggest gun on a destroyer is a 4·7-inch and we are making 4·7-inch guns here. If we are not, we are capable of making them. I am not sure, but I think I am correct in saying that all the armament is made here.

Mr. STIRLING: On the same page the minister refers to salvage operations having been carried on in conjunction with the control of ship repairs, resulting in the recovery of many valuable cargoes. Does that mean that the minister's department has considerable salvage equipment, or that it has let the job to salvage firms?

Mr. HOWE: As my hon. friend knows, we have two or three salvage companies, perhaps more, but each is operating as it likes on a commercial basis. Some two years ago we found that there was perhaps more work than these companies were capable of handling with the equipment in hand, and that they were picking and choosing their work to a considerable extent. Therefore we appointed a director of ship salvage and made arrangements to increase the salvage equipment in the hands of the salvage companies. We also took authority to direct the order in which they would undertake salvage operations. There were at that time valuable cargoes lying on the bottom of the ocean in known locations, and where salvage was possible by the use of additional equipment these cargoes were salvaged and war materials of great value recovered. My reference was to the fact that the government has taken in hand the responsibility for salvage operations, and with good results.

Mr. STIRLING: Do these companies continue to receive the subsidies which they received in the past?

Mr. HOWE: Yes; I would say that they do. Their earnings are limited under the arrangements, but they are guaranteed against loss. There was no subsidy on the Atlantic coast, but there was in the gulf of St. Lawrence.

Mr. STIRLING: And a smaller one on the Pacific.

Mr. HOWE: There is no salvage tug on the Pacific at the moment.

Mr. STIRLING: The other question I wanted to ask the minister had reference to the report on the "Government-Financed Expansion of Industrial Capacity in Canada" which has been tabled. At page 4 there is a reference under War Supplies Limited to Granby Consolidated Mining, Smelting and Power Company Limited, with a commitment total of $200,000, of which only $27,000 had been expended to December 31. Has the total commitment been expended since then? I presume it is for the purchase of copper?

Mr. HOWE: No, that would be a capital commitment. I am not sure just what is involved there, but I can get the information for my hon. friend.

Mr. STIRLING: I wondered whether it was an obligation to purchase copper ore from Copper Mountain.

Mr. HOWE: It refers to Copper Mountain, but if my hon. friend will let his question stand as a notice I will get the information for him to-morrow.

Mr. STIRLING: If the minister would be good enough, would he also say, if he can, whether there is a possibility of increasing the commitment in the near future? The minister knows from my conversations with him the condition of the mine on the top of the mountain.

Mr. HOWE: I am advised by my officer that this is the cost of the plant at Copper Mountain. Does my hon. friend know the operation?

Mr. STIRLING: I do not understand how the government comes into having a commitment with regard to it.

Mr. HOWE: It was to bring in the copper mine. We built the plant and own it as a government facility.

Mr. STIRLING: Perhaps the minister will look into the matter and make a statement later.

Mr. HOWE: Yes, I will do that.

Mr. MacNICOL: Has the government or the minister's department established as yet a policy in reference to the disposal of single-purpose machinery? A great deal of the equipment that has been used in the production of war munitions is single-purpose machinery, heavy castiron machines. I have observed in more than one place a considerable quantity of single-purpose machines stored up, made largely of castiron, and many of them very heavy. I have wondered on more than one occasion whether it would not be advisable just to smash them up and use them as castiron. They never can be used for any other work than what they were made for. It would be uneconomic to try to make anything else with them, and there is not much else that they could make. Since there appears to be a surplus of these machines I have felt that it would be much better to order them smashed up and melted down to make other machines. Has any policy been suggested or established by the board for the disposal of all such single-purpose machines?

Mr. HOWE: A policy has been established for the sale of government machines. A floor price has been established below which they cannot be sold. Quite a number of machines have been surrendered to War Assets Corporation for sale. As a matter of fact, sales of machines are constantly taking place. So far as single-purpose machines are concerned, some have a future and some have not. The corporation is charged with the responsibility of recommending to the government the destruction of machines if a market cannot be found for them. They cannot be sold below a certain base price; in other words, they are not thrown on the bargain counter. If they are not worth the base price they will be reduced to scrap and returned to the smelter.

Mr. MacNICOL: Take a shell machine, for example. I remember very well that following the last war large numbers of shell machines were sledge-hammered and smashed into scrap iron. At the time the price of scrap iron went very low, and the same thing might happen after this war. If either the department or the board determines that so many hundred or so many thousand of these machines cannot be used for any other purpose after the war, would it not be more advantageous to take that surplus and order it destroyed while scrapiron prices are high, so that the scrap may be used to make something required in the prosecution of the war?

Mr. HOWE: Of course it is a bit early to talk about scrapping single-purpose machines now. The demand for shells may increase and the machines may be required for that single purpose. I can assure my hon. friend, however, that no great accumulation of machines will be permitted, but that there will be a sorting out as between those that can be destroyed and those that cannot.

Mr. DOUGLAS (Weyburn): I should like to ask one or two other questions in regard to this synthetic rubber proposition. I do not think the minister really did himself justice in the differentiation he made between public and private ownership of industry; I believe he said a government could erect a factory but it could not always operate one as efficiently as private industry. As a member of the cabinet the minister has had supervision in turn over the Canadian National Railways, the Canadian Broadcasting Corporation and Trans-Canada Air Lines which, if one may take at face value his speech of the other day, intends to broaden rather than constrict its field of public ownership. So that I do not think the minister was on particularly good ground in advancing the argument that a government could not efficiently operate—

Mr. HOWE: I did not say it could not; I said the test was whether it could or not.

Mr. DOUGLAS (Weyburn): That is the test; and where it has been given a fair trial it seems to me the minister himself is one of the men who have been largely responsible for some very efficient administration of government owned enterprises.

I wonder if the minister could explain the set-up with reference to Polymer and its relations with Imperial Oil and Dow Chemical.

Just what is the situation, and what will be the situation after the war? As I understand it, Imperial Oil are manufacturing butadiene from petroleum, and for that purpose they have a pipeline running into Sarnia. In the event of the government deciding to continue the manufacture of synthetic rubber after the war, or in the event of the government deciding to sell Polymer, what would be the position of Imperial Oil? Would the fact that they have this oil-line put them in a preferred position? Would they be in the position that since they have the only pipeline supplying the petroleum out of which they make butadiene, they alone could buy the assets of Polymer, or they alone could supply or refuse to supply any other company that bought the synthetic rubber plant at Sarnia? It seems to me the fear that is in the mind of many of us, and that the minister could help to clear up, though he has not done so yet, is that the Canadian people have put $48,000,000 into a splendid piece of engineering, but at the same time Imperial Oil, because of their preferred position, because they have a pipeline in there and because of the fact that they will be supplying the butadiene gas to make the synthetic rubber, will be in a preferred position after the war and will have a controlling voice in the industry.

Then the minister said that this Polymer plant is operating for the good of the Canadian people and for the good of all the rubber companies, large and small. Could the minister give the committee some information as to how buna-S, which I understand is the term for the crude rubber, has been distributed as between the different rubber companies in Canada of which, if I am correctly informed, there are some fifty or sixty? Just how has it been distributed; how have the small companies benefited as compared with the larger companies? As my colleague pointed out this afternoon, the president of Polymer is the general manager of Goodyear Tire and Rubber; the assistant rubber controller is vice-president of the Dominion Rubber company, and so far as we know these men still have their business connections. Does that mean these rubber companies are in a preferred position? Are they in a position to get a larger share of the raw rubber than are the smaller companies which are not so fortunately situated?

The third question I wanted to ask the minister was in reference to a statement he made the other day, I think in answer to the hon. member for North Battleford. He compared the cost of producing alcohol from grain and from petroleum, and he said that producing it from grain cost about three and a half times as much. As I understand it, when the synthetic rubber plant at Sarnia was getting under way, in the initial stages they did produce synthetic rubber from grain alcohol until they got the more elaborate process set up for producing butadiene from petroleum. Would the minister have any figures, not as to the cost of producing grain alcohol, but as to the cost of the finished synthetic rubber produced from grain alcohol as compared with synthetic rubber produced from petroleum? The reason why I ask that question is that I think the minister has given the figure for producing grain alcohol, but he has not given it for the rubber. I have been surprised to find the extent to which grain alcohol is being produced in the United States, and apparently produced economically. In the Montreal *Gazette* of March 24 of this year I see the following news item:

> Washington, March 23. The United States war production board has under consideration twenty-eight proposals for expanded production of industrial alcohol, a senate agriculture subcommittee was advised to-day.
>
> Doctor Walter G. Whitman, assistant director of the board's chemicals bureau, submitted details of the proposals, including type of alcohol to be produced, company and location, anticipated annual production and total estimated costs.
>
> The alcohol would be produced from several sources—petroleum, sulphite liquor, wood waste, grains, sweet potatoes and other materials.

Then it goes on:

> Grain proposals outnumber all others, with twelve in all.

In other words, some twelve out of the twenty-eight dealt with the manufacture of alcohol from grain. Then the article proceeds to give the list of plants, the cost of erecting them, and their location, which I do not think is of interest to the committee. The point is that in the United States out of twenty-eight plants they propose to erect twelve for the production of alcohol from grain; and it seems to me that if they can do so economically in the United States, and if they find it beneficial to do so, the minister has not given a satisfactory explanation as to why alcohol cannot be produced from grain in western Canada; not on the basis of $1.40, but produced in western Canada where low-grade wheat can be bought on the prairies for a much lower figure. I would ask the minister those three questions.

Mr. HOWE: In asking his first question about the preferred position of Imperial Oil, my hon. friend is quite mistaken when he says that Imperial Oil sells butadiene to the Polymer corporation. Imperial Oil sells petroleum to the Polymer corporation. It is made into butadiene in the Polymer plant, the technical

management of which is under a subsidiary of Imperial Oil. But it is decidedly separate; the operation is for and on account of, and with equipment owned by the Polymer corporation.

Mr. DOUGLAS (Weyburn): Let me get that straight. The minister means that the petroleum is turned into butadiene by a subsidiary of Imperial, working on a management-fee basis?

Mr. HOWE: Yes; that is correct.

Mr. DOUGLAS (Weyburn): And it is produced by Imperial Oil?

Mr. HOWE: No; it is not produced by Imperial Oil; it is produced by the Polymer corporation. If I manage a plant, I do not produce it; the plant produces it.

Mr. DOUGLAS (Weyburn): The personnel are of Imperial Oil.

Mr. HOWE: The personnel is, yes. The personnel are Polymer, managed by Imperial Oil. But supposing the government owns the Ottawa Car and Foundry; they place a management contract with myself, personally, to manage that plant. The plant is still owned by the crown, and the product is still that of the crown. I simply handle the mechanics, and turn out the product. And that applies at Sarnia. What I am saying is that we have no business dealings with Imperial Oil, so far as the production of butadiene is concerned.

Mr. DOUGLAS (Weyburn): Except to buy petroleum?

Mr. HOWE: We buy petroleum from the plant in the first instance. Imperial Oil is in the business of selling petroleum and petroleum products. I can hardly imagine they would discriminate against the Polymer corporation, any more than they would discriminate against anyone else in Canada. I say they are in no preferred position, so far as any arrangement the government may make with the Polymer plant.

Mr. DOUGLAS (Weyburn): Has anyone else a pipeline over there?

Mr. HOWE: There are only two pipelines into Canada, so far as that goes. There is the pipeline from Portland to Montreal, and to Sarnia from the mid-continent fields of the United States. Those two pipelines come into Canada. But if Imperial Oil refused to sell to Polymer, we could certainly buy petroleum from other sources.

My hon. friend has a very curious idea of business in Canada, if he thinks that one of our big corporations would refuse to sell to one and would sell to another. That process is unthinkable. Therefore I think we can say that Imperial Oil have no proprietary interests in any way in the Polymer plant.

The second question was as to how rubber has been distributed among the manufacturers. Every rubber company I know of, either large or small, has been and is operating at full capacity. And every rubber company I know of in Canada that is manufacturing war goods has been supplied with all the raw material it can convert. The actual distribution of rubber, both the importing of rubber, the stock-piling of it, and the marketing of buna-S rubber, has been handled by a government corporation known as Fairmont Company Limited, which has been responsible for that operation since the period of a scarcity of rubber began. I believe it has handled that situation with great success.

Mr. DOUGLAS (Weyburn): That is mostly natural rubber that they are distributing.

Mr. HOWE: In the early days. To-day they are using almost entirely synthetic rubber. There is a small stock-pile of natural rubber which is being very carefully guarded for such uses as may require natural rather than synthetic rubber.

Mr. DOUGLAS (Weyburn): Has the minister any information with respect to synthetic rubber, since it came into production?

Mr. HOWE: It has been distributed in Canada. Everyone in Canada has all he can use, all that the capacity of his plant will permit him to use. We never have had a period at any time when we have not been able to supply all the raw rubber required for war needs—and of course I am speaking only of war needs; not peace-time needs—that our plants could fabricate.

With reference to the question in connection with grain alcohol, I may say that I discussed that matter thoroughly the other day. If my hon. friend can tell me how to get more than two gallons of alcohol out of a bushel of wheat, then he will have an argument. But until then, I do not think he has any real argument.

Mr. DOUGLAS (Weyburn): Has the minister any information as to why they are using it in the United States?

Mr. HOWE: They are using it because it can be brought in much more quickly than the butadiene made from petroleum. They have been using it, just as we have been using it, because the butadiene base of petroleum was not available. It is available here now. It is becoming available in the United States, and there will be a changeover.

Progress reported.

SUPPLY

INCOME TAX—EXTENSION OF TIME FOR FINAL PAYMENT—KISKA FORCE

Mr. D. C. ABBOTT (Parliamentary Assistant to the Minister of Finance) moved that the house go into committee of supply.

Mr. S. H. KNOWLES (Winnipeg North Centre): Mr. Speaker, last Monday night at eleven o'clock I was speaking in the debate on the motion to go into supply, and was dealing with a matter of concern to many people. I had hoped that when I had an opportunity to conclude my remarks I would be able to persuade the government that it should meet the request I was making.

I rise to-night to express pleasure that my speech has been taken away from me, by the announcement made at three o'clock this afternoon by the Minister of National Revenue (Mr. Gibson). As hon. members will recall, the point I made last Monday night was that something should be done about the heavy burden facing people in connection with paying the balance of their income tax which would fall due on April 30. I am sure the country generally will be pleased with the decision finally made by the government in this matter, as announced this afternoon by the minister. I wish to express my pleasure that the government saw fit, in connection with this postponement of the final date, to provide that no interest will be chargeable on the balance due.

While I am on my feet I should like to refer to another matter which comes under the heading of the payment of last year's income tax. I shall not take much time, because the matter has been discussed before on two or three occasions. I earnestly hope the department of government responsible will see to it that an announcement is made soon with respect to the income tax status of the men of the 13th Canadian infantry brigade who went to Kiska last year. The Minister of National Defence (Mr. Ralston), who for the moment, is also acting Minister of Finance, perhaps might confer with himself in the matter. He has stated on two or three occasions that an announcement would be made shortly. I would point out to the minister and the government that the men affected, as are other taxpayers, are wrestling with the making out of their returns. Those returns must be completed and filed by the end of April, even though payment may be deferred. I would hope that the announcement we have been looking for might be made at an early date.

It will be noticed that I am not arguing the case to-night. I am going so far as to assume that when the announcement is made it will be favourable, and that the government will decide that these men are to be considered as having gone outside the western hemisphere so far as income taxes are concerned. I earnestly hope that such an announcement will be made before the house rises at the end of the week and that the men who served at Kiska will be told that they do not have to pay income tax for the period during which they were engaged on that expedition.

AGRICULTURAL MARKETING POLICY

Mr. T. C. DOUGLAS (Weyburn): Mr. Speaker, within the next month the farmers of Canada, particularly those of western Canada, will be on the land. It is needless to say that this would be a most opportune time to have a clear statement made by the government with reference to its agricultural marketing policy for 1944. The year which has just passed, 1943, showed a slight falling off in acreage and a material drop in the amount of cereal crops produced in Canada. I should like to direct attention to some figures which appeared in the dominion bureau of statistics crop report issued on January 21, 1944, as follows:

	1942 bushels	1943 bushels
Wheat—		
All Canada	556,134,000	293,660,000
Prairie provinces.	528,450,000	277,000,000
Oats	652,000,000	482,000,000
Barley	259,156,000	215,562,000
Rye	24,742,000	7,143,000
Flax seed	14,992,000	17,911,000

With the exception of flax, which shows an increase of three million bushels over the 1942 crop year, all other cereal grains show a serious decline in production. Part of this was on account of the greatly reduced per unit production.

Mr. GARDINER: Not in marketing.

Mr. DOUGLAS (Weyburn): As I say, part of this was owing to the greatly reduced per unit production, but it was also in part on account of the reduced acreage.

The total acreages for field crops were as follows:

1942	60,809,200 acres
1943	60,345,600 acres

There was a drop of nearly one half million acres cultivated to field crops. Despite the fact that the value of cereal grains per bushel has greatly increased over last year, the aggregate return to the farmer is down slightly owing to the greatly reduced production. The total gross farm value of all field crops produced was $1,179,073,000 in 1942 as compared with $1,104,065,000 in 1943. It is interesting

to see how this works out with reference to the different crops. The aggregate value of field crops for the two years is as follows:

	1942	1943
Wheat	$385,133,000	$298,191,000
Oats	253,620,000	238,728,000
Barley	119,457,000	132,413,000
Rye	11,760,000	5,915,000
Flax	29,912,000	39,379,000

The *Economic Annalist* issued by the Department of Agriculture shows that the index commodity figure for animal products is slightly above parity, while the index commodity figure for field products is still considerably below parity. The field products index commodity figure is 91·7, taking 1926 as the base of 100, whereas the farm cost of living, with a 1935-39 base of 100, is 121·9. The index commodity figure for all farm produce, including animal products which is 126·1, is still only 104·6, which is still somewhat below parity for the price which is paid to the farm population of the Dominion of Canada. Therefore, I desire to move, seconded by the hon. member for Melfort (Mr. Wright):

That all the words after "that" be struck out and the following substituted therefor:

"This house desires to record its opinion that the agricultural marketing policy of the government is detrimental to the public interest, and that steps should be taken to bring it into conformity with the needs of the farming population."

In the few moments I have at my disposal to-night I wish to outline some of the steps which we in this group think should be taken to bring the government's agricultural marketing policy in line with the needs of the farming population of Canada. I am going to confine myself to dealing with grain crops, letting some of my colleagues deal with other aspects of agriculture. I should like to suggest five steps which I think should be taken with reference to the marketing of cereal crops.

The first has to do with grain deliveries. Almost all western members will remember that last fall the farmers living on branch lines experienced great difficulty in delivering their crop. Parts of my constituency off the main line were as late as the first week in December. At that time many of them had been able to deliver less than five bushels per acre of their basic crop. I wired the wheat board and they explained that they were taking most of the wheat off the main line because they had to get it to the head of the lakes before the shipping season was closed. One could not argue against that, but it still did not help the people on the branch lines who had wheat in their granaries or piled in their back yards and were not able to dispose of it while their obligations were piling up at the stores, to their doctors, in the form of taxes to the municipalities and in the way of threshing bills.

The problem of financing has been quite serious, especially in the grain districts. Where farmers were doing a fair percentage of mixed farming they were able to dispose of some of their live stock in order to pay their threshing bills and meet other obligations. They were thus able to wait until such time as they could deliver their grain. But in other districts the farmers were principally grain farmers. In the southern part of the province and in some parts of my constituency the farmers are almost exclusively wheat farmers. In the northern part of the province, in the constituency of the hon. member for Melfort where they produce large quantities of coarse grains, the fact that they could not dispose of these coarse grains or their wheat meant that they had all the expense of taking off the crop and no ready cash with which to meet their many obligations. To deal with that situation we suggest that two things should be done; first, that the government should still give some consideration to a policy which has been followed with success in the United States, of giving the farmer a cash advance for wheat stored on the farm; second, that the government should pay storage, as they did once before, of the same amount per bushel which is paid to line elevator companies, for storing wheat and coarse grains on the farm.

I remember, in the year when the government did pay storage, a very successful farmer in my constituency built a large granary, with a cement floor, a cement wall rising three or four feet around it, a fine frame top and shingled roof. He built it with the idea that he would be able to store his wheat throughout the war period and that, if he were not able to deliver it, at least he could keep it on his farm and, if he stored the wheat over a period of years, the storage charges, which the government were then paying, would make a substantial contribution towards paying the cost of putting up that granary. What happened? The government discontinued the storage payments, and the result is that this man is to-day storing wheat in a first-class granary which is just as safe and just as well kept as if it were in the line elevator two miles down the road; but the difference is that for the wheat in the line elevator the company is drawing two-thirds of a cent per month, or eight cents a year, storage charges from the government of Canada, and the man who built this granary, and has served the country just as well by storing the wheat for the country's convenience, finds he gets no storage payment whatsoever.

Mr. GARDINER: When did he build the granary?

Mr. MACKENZIE (Vancouver Centre): Mr. Speaker, I wish to rise to a point of order. I have just got for the first time a copy of the hon. gentleman's amendment. It reads as follows:

This house desires to record its opinion that the agricultural marketing policy of the government is detrimental to the public interest, and that steps should be taken to bring it into conformity with the needs of the farming population.

I direct Your Honour's attention to page five of the estimates, items 22, 23, 24, 25, 26, 27, and specifically, 28, "marketing of agricultural products, including temporary appointments that may be required to be made. . . ." I suggest that, in consonance with a previous ruling of Your Honour during this session, this amendment is out of order.

Mr. DOUGLAS (Weyburn): Before Your Honour gives a ruling, may I point out, first of all, that this amendment is almost word for word identical with a motion I moved last year, on March 30, 1943, which was also challenged and which was accepted by Your Honour. May I point out in the second place that there is no single estimate which covers the whole field of the government's agricultural marketing policy. If the interpretation which the Minister of Pensions and National Health (Mr. Mackenzie), is now attempting to place on that ruling were accepted, there is no question which by any stretch of the imagination could be discussed by any hon. member on a motion to go into supply.

Mr. SPEAKER: Following the statement made by the hon. member, we have had an illustration to-night from the hon. member for Winnipeg North Centre (Mr. Knowles) of an item which can be discussed on a motion for going into supply. I can recall many other items of the kind. I have already given a ruling with regard to motions which can be and will be brought up in the house for discussion; and when it is pointed out to me that in the estimates, page five, Nos. 22, 23, 24, 25, 26, and 27 all deal with agriculture and marketing service, and especially No. 28, "marketing of agricultural products, including temporary appointments that may be required to be made, notwithstanding anything contained in the Civil Service Act, the amount available for such appointments not to exceed $15,000", I find that the amendment which is proposed: "This house desires to record its opinion that the agricultural marketing policy . . ." are exactly the words used in the item I have just quoted, and fall within the category of those amendments which I have already ruled out of order on the motion that the house go into committee of supply. I therefore must rule this amendment out of order.

Mr. DOUGLAS (Weyburn): Mr. Speaker, in view of the fact that I believe such a ruling will so greatly restrict private members in this house as to make it impossible for them to express any opinion they have, I must regretfully appeal from your decision.

And five hon. members having risen:

Mr. SPEAKER put the question as follows:

The question is that I do now leave the chair for the house to resolve itself into committee of supply, to which Mr. Douglas (Weyburn) moves in amendment:

"That all the words after 'that' be struck out and the following substituted therefor:

"This house desires to record its opinion that the agricultural marketing policy of the government is detrimental to the public interest, and that steps should be taken to bring it into conformity with the needs of the farming population."

I have ruled the amendment out of order on the ground that it falls within the main estimates under items 22 to 28 inclusive, which will be subjects for discussion when these items are before the house.

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	McCulloch
Authier	Macdonald (Kingston City)
Bertrand (Prescott)	McIlraith
Blanchette	Mackenzie (Vancouver Centre)
Bonnier	McLarty
Bradette	McLean (Simcoe East)
Chevrier	Macmillan
Cloutier	McNiven (Regina City)
Coté	Marier
Crerar	Martin
Cruickshank	Matthews
Dubois	Maybank
Dupuis	Pottier
Edwards	Purdy
Eudes	Ralston
Evans	Rhéaume
Farquhar	Rickard
Fournier (Hull)	Roebuck
Gardiner	Ross (Moose Jaw)
Gibson	Sissons
Golding	Soper
Hanson (Skeena)	Taylor
Howe	Tremblay
Isnor	Tucker
Jean	Turner
Kinley	Ward
Laflamme	Warren
LaFleche	Weir—59.
Lafontaine	
McCann	
McCuaig	

NAYS

Messrs:

Adamson	Johnston (Bow River)
Bence	Knowles
Black (Cumberland)	MacKinnon (Kootenay East)
Bryce	Noseworthy
Cardiff	O'Brien
Casselman (Grenville-Dundas)	Perley
Castleden	Quelch
Church	Ross (St. Paul's)
Coldwell	Shaw
Douglas (Weyburn)	Stirling
Gillis	Stokes
Hansell	Wright—25.
Harris (Danforth)	

Mr. GRAYDON: I was paired with the right hon. the Prime Minister (Mr. King). Had I voted I would have voted against Your Honour's ruling.

Mr. SENN: I was paired with the hon. member for Hamilton East (Mr. Ross). Had I voted I would have voted against Your Honour's ruling.

On motion of Mr. Douglas (Weyburn) the debate was adjourned.

On motion of Mr. Crerar the house adjourned at 11.15 p.m.

Tuesday, March 28, 1944

The house met at three o'clock.

STANDING COMMITTEES

PUBLIC ACCOUNTS—CHANGE OF PERSONNEL

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

That the name of Mr. Bence be substituted for that of Mr. Graydon on the standing committee on public accounts.

Motion agreed to.

HOUSING

COMMUNITY PLANNING AND RECONSTRUCTION

Right Hon. W. L. MACKENZIE KING (Prime Minister): I wish to table the final report of the subcommittee on housing and community planning of the advisory committee on reconstruction.

Mr. NICHOLSON: May I ask the Prime Minister whether consideration could be given to having this report referred to a special committee of the house? I might mention that in 1935 a committee of the house was set up and brought in a report on housing which has been very valuable.

Mr. MACKENZIE KING: I shall be glad to see that consideration is given to the question and give my hon. friend a further reply later.

INCOME TAX

STATUS OF MEMBERS OF CANADIAN KISKA FORCE

Hon. C. W. G. GIBSON (Minister of National Revenue): Various members of the house have made representations concerning the tax status of members of the Canadian Kiska force. I have much pleasure in informing the house that on March 17, His Excellency the Governor General in Council approved an order in council under the War Measures Act that the members of the expeditionary force sent from Canada in 1943 to the island of Kiska in the Pacific ocean be dealt with as provided for in section 4, paragraphs (t) and (v) of the Income War Tax Act, and for the purposes of the said section the island of Kiska shall be deemed to be outside the western hemisphere.

FARM LOAN BOARD

RESIGNATION AND REAPPOINTMENT OF J. L. DOUGANS

Mr. D. C. ABBOTT (Parliamentary Assistant to the Minister of Finance): I beg leave to present parliamentary return, reference 150, asked for by the hon. member for Mackenzie (Mr. Nicholson), for a copy of all letters, telegrams and other documents with respect to the resignation and reappointment of J. L. Dougans.

While there is no objection to the production of the correspondence in this case, nevertheless it is not considered generally in the public interest to produce inter-office correspondence, and the production in this case is not to be taken as a precedent.

It is to be noted that the Canadian farm loan board has been constituted by parliament as a body corporate and politic and is vested with full control over the employment and dismissal of all its employees other than chief executive officers whose appointments are subject to the approval of the governor in council. The board, moreover, is charged with the responsibility of carrying on its operations on a self-sustaining financial basis and does not come to parliament for an appropriation of funds for administrative expenses.

BEEF CATTLE

INQUIRY AS TO REMOVAL OF EMBARGO ON EXPORT TO UNITED STATES

On the orders of the day:

Mr. M. C. SENN (Haldimand): Having regard to the recent announcement by the Department of Agriculture officials that arrangements have been made to export three million pounds of poultry, and its beneficial

effect on the Canadian market, will the government consider similar treatment to overcome the congested and emergent situation in the cattle market by removing the embargo against the export of beef cattle to the United States?

Mr. SPEAKER: I should think this is a question that should be placed on the order paper for a reply by the minister.

Mr. SENN: Mr. Speaker, it is an emergent situation. The congestion is bad.

Mr. SPEAKER: The minister is entitled to some notice in order that he may be able to reply to the hon. member.

WAR APPROPRIATION BILL

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

The house resumed from Monday, March 27, consideration in committee of a resolution to grant to His Majesty certain sums of money for the carrying out of measures consequent upon the existence of a state of war—Mr. Ilsley—Mr. McCann in the chair.

DEPARTMENT OF MUNITIONS AND SUPPLY

Mr. CHURCH: It is not my desire to delay the proceedings of the committee but may I say there are two or three important matters which have come before the house during the past year. The ministry have made certain proposals with regard to two or three matters in which I am interested, namely, coal, housing, shipbuilding and one or two others relating to the city of Toronto. The minister made a long statement with regard to the coal question. It is now proposed to appoint another royal commission to go into the whole question of our fuel resources and what is to be done during the remainder of the war and long after the war.

This is not a new question or a new topic. The question of a national fuel supply has been raised on other occasions. I hold in my hand a volume of *Hansard* for the year 1923. During that year a debate of two or three days' duration took place on a resolution regarding a national coal supply. I brought that resolution before the house on March 19, 1943. In it I asked that the fuel requirements of Canada should be obtained as far as possible from the British empire, from Alberta, the maritimes and Wales. During the debate it was shown that we were sending $50,000,000 a year to Pennsylvania to obtain anthracite coal from the mines there and in that way we were supporting those mines. The proposal was that Canada should establish a system of bonuses, subventions and subsidies in order that our coal producing provinces may be able to provide us with coal, thereby relieving us from becoming absolutely dependent on a foreign supply of coal from Pennsylvania and other coal producing areas of the United States.

The resolution I proposed at that time was not referred to a royal commission to waste time but was sent to the standing committee on mines and resources. I do not think that committee has held a meeting since the war started. Surely with all the information we have in connection with the problem of a national fuel supply we do not need to send this question to a royal commission. We were fortunate last winter in that we did not have one of the winters that we have experienced in the past when the Canadian people had to fire their furnaces eight or nine months in the year. I remember a few years ago we had to put coal in our furnaces right up to the end of May. There were many other winters just as bad. The government should have formulated a policy long ago. We have heard of meetings with the provinces and the municipalities. As a result of my resolution the government of the day, three or four years late, instituted a policy whereby they paid subventions and subsidies on coal from Nova Scotia to the central provinces. This coal was moved partly by rail and water and all water to the head of the lakes. Hundreds of thousands of tons have been moved by that route in years gone by. Subsidies of a dollar a ton and sometimes more than that, and occasionally less than that, have been paid through the railways by the country.

The production of coal in Alberta is only in its infancy. There was a proposal that we should utilize pipelines for oil and all these things. That started away back in 1923. Little or nothing has been done about it. Inasmuch as it is the poor people who suffer I do hope that something will be done. I should like to refer to the larger cities, and more particularly the city of Toronto. Some $30,000,000 have been spent on the whole waterfront and in the vicinity of Ashbridges Bay to establish facilities for handling coal in that industrial district. Nearly five or six hundred thousand tons of coal are piled in the eastern end of the waterfront in a year. That has helped greatly to relieve the coal situation in that district, but the supply is dwindling. Owing to the strikes and the situation which exists in the United States and the demands of the war we do not know what is going to happen. We do not know whether we are going to have any supply for next winter owing to the changing conditions in that country and the changing war. Where are we to get our substitutes? The other evening the minister referred to a pile of

wood at the head of the lakes. We should like to get some of that wood in Toronto. We understand that during the coming summer barges are going to move that wood to some of the ports down here.

The fuel situation is a world situation. So far as Canada is concerned it depends largely on transportation and the labour situation. I am not going to say very much more on this question but I do hope that some substitutes will be found.

In 1923 I advocated a system of a national hydro policy for this country. It was shown in the returns that were brought down at that time that we had a potential horse-power of 42,000,000 with only about 7,000,000 horse-power developed. Part of it was seasonal, used only in the summer time. Only one sixth or 7,000,000 horse-power had actually been developed. It was shown then that we had not been progressive enough as a country. There should be a further utilization of our hydro resources for heating purposes where possible. There should be a national hydro policy. On my last visit to British Columbia in 1927 I was very much surprised to find that the rich natural resources of waterpower that that province enjoys were not utilized in that way to the extent that they should be in public ownership thereof. We have to do something because before many months are past our fuel supplies will have been exhausted. Many cities and towns are now living from hand to mouth. The control board has brought about more confusion than relief. Delivery is a very important factor to many small dealers in the cities and towns of this country. With the labour situation as it is, particularly in the mines, and with the income taxes which have been imposed on mine workers both here and in the old country, it is difficult for some of the mines I know to secure the proper help. What are we going to do next winter? We are not through this winter yet; we seem to be headed for a belated cold spell during the latter part of March and April, which are the most dangerous months for many of the diseases that prevail in this country, such as pneumonia and so on. There is not a day to be lost in getting ready for next fall. The appointment of a royal commission has been announced, but you might just as well save your money. I see no reason why the committee on mines, forests and waters should not have been meeting throughout the war dealing with questions of this kind. The fuel situation has been made a political football; it has been discussed by three or four committees and commissions which have called witnesses and made reports. One of these was the select committee on reconstruction and security after the war, but I know of no reconstruction which has been brought about in regard to the national fuel policy as a result of the work of these committees. We have the committee on mines; we have three or four departments or branches of departments all interested in the same questions, but nothing seems to be done. I do urge upon the house that this is the most important question we have to face in Canada, especially in connection with the working classes. I do not know how they came through last winter, and no one knows what is going to happen by next September, with our supplies of coal from the United States being curtailed all the time.

Now I should like to say a word with regard to the housing situation. I admit that any discussion of this question is limited to item 3 of the minister's estimates, which deals with housing development in war time, and the amount of which has been reduced to $11,000,000. I would remind hon. members, however, that last Sunday evening the Prime Minister of Great Britain set a goal of 500,000 prefabricated houses for the returned soldiers and working people of his country, and I imagine that actually nearly a million homes will be required. Why are we not doing something about housing in a practical way? We appointed a rent controller, but he has simply tied up real estate in a worse knot than ever, with the result that now no one in the cities and towns wants to own real estate. With all the artificial burdens and barriers placed on home ownership it amounts practically to the confiscation of real estate. According to the assessment commissioner of Toronto, when war broke out over sixty per cent of the people of that city owned their own homes. I believe the latest figures indicate that at a conservative estimate more than one hundred thousand people have been driven from their small homes into apartments. When the war is over these people will want to find small houses in which they may live with their wives and families. Many of these houses will be required by returned soldiers. I understand that according to a recent survey in Toronto some sixteen thousand families will have to find new homes on May 1, and many of them are the families of soldiers who are now overseas. I have some of them in my own constituency, which was referred to in the report on housing prepared under the direction of Lieutenant-Governor Bruce away back in 1934.

I believe the Prime Minister of Great Britain has said on many occasions, in connection with this housing problem, that homes

built during the war should be of such style and construction, and contain such appliances and improvements, as will enable them to fit into the scheme of things when the war is over. Away back on January 24, 1935, I moved a resolution in this house regarding the housing situation and the construction industry. It brought about a very thorough investigation by a committee of the house which sat for some five months, heard witnesses and made a report to parliament. This is the resolution I moved:

> That in the opinion of this house Canada should inaugurate at once a national housing, building and reconstruction policy adapted to its circumstances, and that such a policy is an economic and social necessity and in the best interests of the people of our country.

The debate on that resolution lasted well into the evening, when Mr. Bennett, who was then prime minister, proposed the appointment of a select committee to go into the question. That committee recommended the construction of a large number of small houses. I was a member of the committee; we heard witnesses from all over the world, and the report is just as applicable to-day as it was then. When the present government came in they adopted the suggestion I had made in the committee, that instead of the government creating a large housing department the work should be done by private industry and loans made through the banks. I want to give hon. gentlemen opposite a great deal of credit for what has been done in that connection. Some $83,000,000 has been invested in small homes, with the banks loaning the money and the loans guaranteed by the government. These small homes were well constructed on standard plans at low cost; you can see them all over the city of Toronto now, and they are a credit to the present government and to Mr. Bennett, who supported the scheme.

I wish to help the minister; I do not want to sit here as a private member of the opposition and raise unnecessary objections, because I know what this war business means. I have seen two great wars, and I know the difficulty of carrying on, but I do say that in connection with the housing situation we have had too many people taking a hand, too many committees, too much red tape and too few houses being built. We should get down to some system along the lines suggested by Mr. Churchill the other evening, under which we will provide houses for soldiers and civilians. I would not say twenty-five thousand houses in the Toronto district would be enough; I do not think that number would meet the situation at all, but I think we should do something before we adjourn for Easter, because on May 1 a great many people will be put out by the bailiff. People do not want to own houses to-day, with all the controls that are in existence. You cannot get enough revenue to pay the taxes and interest on the investment, let alone the depreciation, so you make nothing out of the property. In many cases real estate has become a burden because of excessive taxation.

We will have to get down to brass tacks and decide three things in regard to housing and reconstruction. First, what is Canada going to do to see that the industries of this country furnish a large share of the building materials and supplies which Britain will need for the manufacture of these half a million prefabricated homes proposed by Prime Minister Churchill last Sunday evening? We will have to come to a decision in regard to tariffs. What is to become of preferential trade within the empire; what is to become of favoured nation treaties? We have the cart before the horse in appointing these committees; we have to solve these other problems first. Are we going to get the large share we should get in connection with the construction of these homes in the old country and, if so, how is it going to be done? I say to my hon. friends to the left that they have to give the Conservative party credit for a great many things which have been done in the city of Toronto, though of course the Liberals also and others were equally active in public ownership there. Toronto was the pioneer and leader in many of these advances; by its guaranteeing of bonds it financed seventy-five per cent of the initial hydro cheap light, power and transportation programme under which the city went into the building of roads outside the city, purchased the street car lines, gave an improved water supply, developed a fine harbour and provided facilities so that coal could be brought from lake Ontario and lake Erie ports, and in fact right to Mr. Baldwin's own plant in Ashbridge's bay from Swansea, Wales, in 1915-16. During that period many services in transportation were extended to the counties of Ontario and Peel, where my hon. leader lives, by purchase of the radials and by new buses; in fact Toronto took the lead in supplying transportation and other services through the Toronto Transportation commission throughout the area.

What has been done there? We have a housing situation, a coal situation, and a situation respecting improved roads. I do hope something will be done about it. Sometimes the committee on reconstruction seems to be away up in the clouds. It seems never to get down to terra firma. It never gets down to the ground to discuss how houses are to be built so as to house these 16,000 people who are to be out of their homes on

the first of May. Nothing is being done to provide for those among them who may be soldiers.

Sometimes it is and sometimes it is not advisable to criticize the government of the day. But it is a function and a duty of the opposition to criticize, and it is certainly a duty to criticize when we find that when faced with this situation the government does not do anything. We shall have to decide about these problems before very long. So far the government has put the cart before the horse in what it has done. However, this coal and housing question is a world problem.

There is one other matter to which I should like to refer. Some hon. members seem to be able to discuss civil aviation, while others are not allowed to do so. The whole field of civil aviation and its proper solution should be discussed. I believe the leader of the opposition deserved a great deal of credit for his decision that the opposition should give thorough study to the matter before coming to any definite conclusion. I understand an agreement has been reached over parliament's head, as to both domestic and international aviation. For twenty years I have studied the matter, and I believe that before the imperial conference is held some policy should be decided. I shall not discuss it now, because no doubt an opportunity will be given later. But I do believe there should be a discussion before the imperial conference is held. The high court of parliament is meeting, and we must have something to say about it. There was a statement by the prime minister on April 2, 1943, which, in effect, is the gist of the proposals of the present minister on civil aviation with respect to domestic and international affairs. I believe at some other time we should have an opportunity to discuss this matter, and a time should be set aside for the purpose. We should go into all aspects of it, because it is a very involved question. I remember at the close of the last war discussing it with the late Colonel Barker, V.C., and Sir Frederick Handley Page, who came to our city. More than twenty years passed between the two wars; Canada left it to private initiative and forgot all about it. In my view something should be done about it. I do not see why my friends to the left should be permitted to discuss a matter of this kind, while others have to wait until a later time.

A large shipbuilding industry was brought to our city in 1917. At that time I was one of the heads of the harbour development. I remember discussing with the late Mr. Hazen, then minister of marine and fisheries, the matter of shipbuilding in Toronto. At that time a large number of wooden ships were built. One of those ships was of about 9,000 tons. I hope the minister will do something so that wooden ships may be built on the great lakes. The government has spent about $125,000,000 on the deepening of the Welland canal and the improvement of inland waterways in Canada. In view of the coal situation, and many other matters of that kind, I believe the time has come when some of these plants should be converted to peace-time plants, and that the government should consider establishing a system whereby wooden ships would be built to carry the traffic on the inland waterways and coastal traffic along the Atlantic coast after the war.

In 1917 one of those ships was named after me, but unfortunately in 1939 it was sunk on the Atlantic by the Germans three or four days after it put to sea, after the Athenia was lost. I am not much good at having things named after me, because when I was head of the municipality and the Toronto Transportation commission was started to take over the street railway, it was decided that they be called the Toronto Civic Lines. But after the matter was considered I told them they had better not use that name, because sometimes they might be called Tommy Church's lines—which they were, more or less, I may say.

But I do say to the government that all along the great lakes it should get ready for the close of the war, and have these shipbuilding industries established, if we are to be ready for the great trade which will flow to this country after the war by means of water-borne traffic and shipment by rail.

These are the only suggestions I have, and I hope the minister will consider some of them. I should like to see something of a practical nature done immediately along these lines before the end of the war.

Mr. GRAYDON: Before the item carries there is one matter I should like to bring to the attention of the minister. This arose from the debate which took place just before the recess yesterday, in which the hon. member for Yukon took part. He is out of Ottawa this afternoon on important parliamentary business, and has asked that I draw the attention of the minister to an item which deals with a matter often discussed, namely the Canol project.

It would seem that some of the ministers are not completely informed at the moment respecting certain details. For this reason I draw to the attention of the minister an item which appeared in the *Alaska Weekly*, published at Seattle, Washington, on Friday,

March 17, 1944, which, I believe, throws some light on the matter under discussion. This item, under an Ottawa dateline, states:

A vast bloc of territory in the Canadian northwest, including all the Yukon Territories comprising nearly 1,000,000 square miles, has been set aside as an oil reserve for exploration and drilling exclusively by the United States War Department for the duration of the war.

This has been disclosed in official documents relating to the Canol project and other military developments involving United States expenditures in northern Canada.

This, I think, is the important point in the dispatch, and the one concerning which the hon. member for Yukon expressed more than usual interest:

Half of all oil discovered will become the property of the Canadian government within six months of the end of the war.

Nominee of the United States Army for exploration and drilling of oil wells at U.S. expense in connection with Canol has been Imperial Oil Company Limited, which already held leases around Norman Wells area on the Mackenzie river.

The U.S. contract with Imperial Oil was declared by the Truman committee of the U.S. Senate to be improvident, and it is being renegotiated.

The item goes on to deal with other matters. I believe it brings to the attention of the committee some information in addition to that which appears in the *Votes and Proceedings* of Friday, January 28, where we find mention of an exchange of notes between Canada and the United States, constituting an agreement for the construction of a pipeline and refinery in the Yukon Territories, as well as the subsequent exchange of notes between the two countries for the establishment of an oil supply line from Skagway to White Horse. I bring this to the attention of the minister at the instance of the hon. member for Yukon who, because of the business I have mentioned, is unable to speak to the committee at this appropriate time.

Mr. WEIR: I should like to refer to one matter which I do not think has been discussed up to now. I do not see any place where it might properly be discussed later. I refer to the distribution of lumber in the western provinces. It has been brought to my attention, and I have observed myself, that there is a situation developing throughout Canada which is proving to the disadvantage of certain types of lumber dealers. I refer to the independent dealer. There seems to be a distinct difference between the position of the independent dealers and that of the line companies. My own observation has been that the independent lumber dealer cannot get lumber, while the line companies, perhaps because of better connections or something of the kind, seem to be able to get substantial supplies.

In certain communities there is only the one type of dealer, the independent, and the result is that the farmers in those communities are unable to secure lumber for repair work or for the building of granaries and so on. In other communities where line companies are operating they are able to obtain the lumber they require. I do not know whether it is the fact, but complaint is made that the suppliers of lumber are more interested in exporting to the United States than they are in supplying the local market, particularly in the western provinces. Another claim made is that dealers, particularly the independent dealers, are being forced to take off-sizes, boards of the wrong widths, and dimension stuff which is not suitable for their operations.

The lumber dealers are concerned about the situation. Many have spoken to me and pressed for a clarification. Is the minister in a position to tell us just what the situation is with respect to the supply of lumber or the controls that are operating, particularly the controls that affect the independent dealers and the line companies?

Mr. HOWE: The problem referred to by my hon. friend has been receiving the continuous attention of the timber controller for a good many months and every effort has been made to provide adequate supplies of lumber all over the prairies. The difficulty has been to obtain proper distribution. My hon. friend is quite right when he says that the producers of lumber are interested in getting export prices. As hon. members know, prices within Canada are governed by price ceilings, while those across the line are much higher. There has been some trouble with producers cutting lumber to sizes suitable for the export market and unsuitable for the Canadian market. The timber controller in these cases has ordered the lumber recut, and I think the practice referred to is being broken down.

As my hon. friend knows, lumber is cut in the northern part of the three prairie provinces, and the problem has been to get good distribution in the southern part where freight charges are higher. A procedure has been adopted which I think has worked out in the main. Out of four cars produced, a producer may sell two where he likes, and if he ships the third into the southern part of the province as directed by the timber controller he may export the fourth car. That is an arbitrary rule but I think it has worked out fairly well.

We have been informed by reliable sources in Saskatchewan during the past two or three weeks that there is sufficient lumber on the prairies, and requests have been received from there to permit a greater volume of exports. However, the timber controller is not satisfied that there is sufficient lumber on the prairies and this request has not been acceded to. I think the situation has improved. I see no reason why local yards cannot buy as freely as the line companies, because the transactions are between the producer and the retailer. I shall be glad to have my officers make inquiries to see whether there is a real difficulty, and if there is, to take steps to overcome it.

Mr. WEIR: It appears that these people generally buy through brokers, but now that lumber is in a tight position the larger outfits are buying direct and short-circuiting the commission men. The result is that certain dealers cannot get any lumber at all while others are short-circuiting the regulations. Is the minister in a position to state the approximate quantity of lumber that will be available to the western provinces during the coming season?

Mr. HOWE: I am afraid I cannot give the figures. I shall look up that information and try to have it before we finish this evening.

Mr. WRIGHT: Will the minister also inquire about the quality of lumber being distributed in western Canada as compared with the quality of the lumber being shipped to the United States? We have found that the quality of lumber has deteriorated seriously during the last two or three years. Apparently they are exporting the better grades of lumber and leaving the poorer quality for the home market, which is not altogether fair.

Mr. HOWE: I shall be glad to look into that.

Mr. ROSE: I should like to make a few remarks about the shipbuilding industry. We are very much interested in this industry in the province of Quebec and we have made a considerable contribution toward the success of the war in this connection. Our riveters have set up some fine records, but these workers are beginning to wonder what is going to happen in the future. Are we going to have a merchant marine worthy of an independent and strong Canada?

The minister stated that by March 1 we had completed fifty-four 10,000-ton ships, including ten tankers and thirteen 4,700-ton ships, and that these had been delivered to the Park Steamship company. He also estimated that by the end of August an additional thirty 10,000-ton ships, including three tankers, would be added to the Canadian merchant fleet. Therefore by the end of August the Park Steamship fleet will consist of the following: 71 dry cargo vessels of 10,000 tons; 13 tankers of 10,000 tons; 13 dry cargo vessels of 4,700 tons.

The dry cargo fleet will approximate about three-quarters of a million tons dead weight. The minister admits that the 4,700-ton vessels are useful only in the coasting trade. The 10,000-ton vessels, even the Canadian Victory ships, are of a type that will be in tremendous oversupply after the war. They will be utterly unable to compete with the United States, British and other foreign vessels. The Canadian Victory ships are slow—I am informed they can make only ten to eleven knots at best—and are not to be compared with the United States ships of the same name which are of an entirely different type. These United States ships have a speed of from sixteen to eighteen knots and are now being turned out in United States yards in large volume for use both during the war and in the post-war period. The Canadian Victory ship compares with the American Liberty ship, which is now generally known to have little post-war value. Why did we in Canada not turn to the production of a more useful type of vessel for post-war trade, especially as the yards have been cutting down production?

I read a statement in the report of the Canadian Pacific Railway company that they have ordered a number of ships of the Beaver type in England. I do not know the exact speed of these ships; could the minister give it? The recently announced reconstruction programme of the United States Maritime commission for the year beginning next July includes 213 C-type ships whose speed will be faster than that of the Victory ships; 1,131 Victory ships, 372 tankers and only 194 Liberty ships. Other types make up a total of 2,359 ships. The fact is that in the United States they are concentrating on the faster ship, the Victory ship and the C-type ship. But we are to have only slow ships and I am very much afraid they may be useless. We shall only be able to operate them as tramp vessels carrying cargoes at bargain rates, and there will always be arguments over the wages paid on such ships, because it will be said they take so much longer to complete a trip, and the tendency will be for wages on these ships to be lower. We have still time to correct the situation. It is true that we must

build as many ships as are required for victory, but other countries, while producing ships for victory, have also in mind the post-war and are preparing for it by building a faster type of ship. The picture I am painting does not appear to be very bright, but these are the facts.

An article in the *Shipping World* of December 22, 1943, points out that before the war there were about 10,000,000 tons of tramp shipping and that that figure would be increased easily to 21,000,000 at the end of the war. Of that total, 5,000,000 tons will be privately-owned and the rest government-owned. The figures are as follows: United States government, 12,000,000 tons; Canada, 2,000,000 tons; United Kingdom, 1,500,000 tons; continental governments, 500,000 tons. The United States and other countries will have plenty of fast tonnage, and if necessary they will do away with the tramp tonnage altogether, while we shall be left with nothing but tramp tonnage.

An article in the London *Economist* of January 1, 1944, points out that any large scale selling of these ships by the government to private owners would push the bottom out of the freight market as effectively as an attempt by the government to keep these vessels in operation.

I repeat that I am not raising this issue to argue that it was not necessary at a certain time to build the kind of ship we have as rapidly as possible to carry supplies and munitions of war to the armed forces. But we have reached the stage where we must think of the future, and it is only right that Canada should have a government-owned merchant marine. We had one in the past, the C.G.M.M. They were old ships, and we must have better in the future. We should have shipping to be prepared for any emergency. We have the trained men, and we should build up a merchant marine that the Canadian people can be proud of. Young and old would be proud to see a fast fleet of Canadian government merchant vessels flying the flag of their country; and I hope that our ships will fly a truly Canadian flag.

Mr. BLACK (Cumberland): Mr. Chairman, I notice that the first item of the minister's estimates provided the sum of $195,000,000 as the estimated requirements for 1943-44, for additions and extensions to plants with estimated expenditures for 1943-44 of $149,033,690.74, and estimated requirements for 1944-45 of $60,000,000. I would like the minister to give the details of these expenditures as completely as he can.

[Mr. Rose.]

I do not wish to enter into another discussion with respect to the maritime provinces; I think our position is pretty well understood. I want to express my appreciation of what has been done in developing some industries in the maritime provinces during the war, although only a small portion of the war expenditures have been spent in the maritime provinces. It is recognized by the people of the maritime provinces, and I think by people all over Canada, that the maritime provinces and the outlying portions of Canada have not shared in the war expenditures as they should share if there is to be equality of industrial development in Canada. This is unfair to the west, but much more so to the maritime provinces, inasmuch as the west never had established industries, while the maritimes had scores and scores of industries which no longer exist or exist only as very small establishments. They have been absorbed by industry in central Canada or have been crowded out by mass production and mass merchandising. There never was a better opportunity given to a government than during the war years to restore an equilibrium of industrial enterprise in Canada by establishing industries in the maritime provinces. These enormous expenditures by the government have totalled up to the end of 1943 the sum of $714,258,389 in government-owned industry and in assisting private industry. If the manufacturing and industrial situation in the maritime provinces is not improved during the war years by establishing industry with post-war prospects, I do not see that there is any hope in the years that are ahead. I say that it is the responsibility and the duty and the opportunity of the minister and the government to equalize industrial development in this country and establish and revive industries in the maritime provinces.

Unfortunately many of our products in the maritime provinces are basic commodities, such as iron and steel which sell for two or three cents a pound and are shipped elsewhere and manufactured into products costing as much as one or two dollars a pound. The same is true of lumber. It is largely produced and sold as a basic commodity. That applies also to the salt industry. Salt is sold as a basic commodity in our province at from three to four cents a pound, while it should be the basis of a great chemical industry. Our salt industry should be producing at the plant refined salt, soda ash and related compounds, salt cake (sodium sulphate), hydrochloric acid, caustic soda, chlorine, potash and other chemicals which are contained in our big deposits at Malagash. I hope that in these

appropriations we are now considering provision will be made for the development of a chemical industry based upon our salt resources.

Another big product in Nova Scotia is coal. Our coal is shipped at from four to five dollars per ton. Much of this might be converted and made into chemical products, valued up to a thousand dollars per ton. It appears to us that there might be established in Nova Scotia, on the basis of our raw materials, industries that would tend to equalize industrial activities in Canada and to some extent restore the position we held prior to and in the years following confederation. I hope that in the estimates now being considered provision is being made for development of our raw materials, which would be of benefit to Nova Scotia. I shall be glad to have from the minister a schedule of what he proposes under the very large appropriations that are now being considered by the committee.

Mr. HOWE: The expenditures from April 1, 1943 to December 1, 1943 under the general programme would be: General munitions, $75,855,905.39; aircraft, $12,741,249.55; shipbuilding, $7,248,972.33; acquisition of United Kingdom plant, $5,000,000. That is the balance of a transaction carried through a year ago, making a total of $100,846,127.27. For the three months since, bringing it to the end of the fiscal year, it is estimated that $48,187,563.47 will be spent, making a total of $149,033,690.74, as shown in the column under estimated expenditures. It will be noted that the amount is $45,966,309.26 under estimated requirements. This amount represents commitments which will be carried into the new fiscal year, so that the estimated requirements of $60,000,000 for the fiscal year 1944-45 includes $45,966,309.26, left over from commitments made in the vote in 1943-44.

Mr. BLACK (Cumberland): Included in the $60,000,000?

Mr. HOWE: Only $15,000,000 of new money is in the $60,000,000.

Mr. BLACK (Cumberland): In regard to the communication and signal programme, the minister reported to the committee, as appears at page 1696 of *Hansard*. May I ask what proportion if any of these large expenditures has been made in the maritime provinces? I will quote from the minister's statement at page 1696:

> The value of our production in communications in 1940 was one million dollars, in 1942 60 million dollars; and in 1943 136 million dollars. The radio and communications industry is now operating at a level some eighteen times greater than in 1939. We have orders on our books to the value of 400 million dollars, and we do not expect to reach peak production until the second quarter of 1944. To illustrate the diversity of the programme, I might point out that there are approximately 4,500 different items in current production by some fifty prime contractors and several hundred subcontractors.

And the next paragraph:

> Some twenty major types of radar equipment have been developed for a variety of applications, ranging from one type for anti-aircraft defence having 60,000 components, and 270 radio tubes, mounted in several large trucks, to small compact airborne units used for submarine detection at sea and target location on land.

What proportion of that large programme amounting to $400,000,000 has been undertaken in Nova Scotia? I do not want to be sectional; still I wish to point out to the committee and emphasize the fact that for many years we have not progressed industrially in that province. In manufacturing we have lost our position in relation to the rest of Canada. This is an opportunity such as we have never had since the decline of industry in that province, for the minister to do something for Nova Scotia. It is an opportunity that has come to no other government or minister to rectify the unfair conditions under which we have existed in that province. Again I would inquire as to what proportion of this enormous development has taken place in Nova Scotia, a development involving in 1943 $136,000,000 and on our books, for the current year, the enormous sum of $400,000,000.

Mr. HOWE: I do not know that I can give the exact figures, but all that production is being obtained from existing manufacturing plants. The hon. member knows how many such plants there are in the maritime provinces and from that he can compute the probable output there. All suitable facilities of the country are being used for that purpose, including those in the maritime provinces, if any.

Mr. COLDWELL: Following the hon. member for Cumberland, I think it is borne in upon the members of the committee that what should be undertaken without delay is a thorough survey of our resources in various parts of the country. The war has tended to concentrate industry more and more in a few places, and just as in Nova Scotia so in the western provinces, particularly Saskatchewan, we are going to feel after the war increasingly dependent on those parts of Canada where manufacturing industries have been established during the war. It seems to me that without delay there should be a thorough survey of

the resources of the country and we should endeavour to base, upon those resources, any further industrial development we undertake, on the principle of spreading them across the country instead of concentrating everything in one or two areas.

That was not what I rose primarily to say, however. This morning I placed some questions on the order paper and the Clerk of the House, quite properly I think, returned them to me because the questions involved the giving of some information. As we know, the rules of the house do not permit members giving information in the form of questions. But I wanted to find some information which comes under this particular item of the war appropriation, and so, instead of endeavouring to redraft the questions in a manner that might not be altogether satisfactory, I thought I would ask those questions now in the form in which I am going to put them.

I might say to the minister that I put the questions on the order paper because I did not want to prolong the discussion here. But I have had a number of inquiries lately as to whether or not there has been a change in the ownership of one of the companies with which we have been doing some business both in shipbuilding and in manufacturing of war equipment in Montreal. I refer particularly to the Canadian Vickers Limited. What is suggested to me is that a very considerable amount of stock of Canadian Vickers Limited, either a majority or a minority amount, I am not sure which, has passed into the control of a corporation known as Losanac Limited. In turn I am informed that Losanac Limited is a subsidiary of the Solvay Company of the United States; that this company is controlled by a corporation located in Basle, Switzerland, and that the holding company there is a company with a German name in which it is suggested to me there is a considerable amount of German capital even at the present time.

In my opinion it is in the public interest that the government of Canada should endeavour, if possible, to look into this situation to discover the facts, because Losanac is now the largest holder of preferred or common stock, I am told, of the International Nickel Company, and has substantial holdings in the Hollinger mine and other gold mines in the country, and also in the Dominion Steel and Coal Company and Asbestos Corporation. It it is, as I am informed, connected with the Solvay Company, that company had very large and important holdings in some fifteen or sixteen countries, including Great Britain, Japan, United States, Argentina, Brazil, Germany and others. In view of what we have learned during this war, particularly from the investigations of the last twelve months or so in the United States regarding the associations of companies in all these countries with companies that engage in the provision of vital war material, it seems to me that the time has come to make every investigation that we can, to follow every lead that is given to us, in order to protect ourselves in future from the kind of thing that we have suffered from in the past. While this may not fall directly within the estimates of the minister, yet we are dealing with the war appropriation estimate as a whole. What I am about to say now will be said to save time in order to give the government the opportunity to look it up. In a recent official publication I came across a study made for the subcommittee on war mobilization of the committee on military affairs in the United States senate. It goes carefully into the associations of some of the corporations. The ones I refer to now are the I. G. Farben company and a British company known as Sterling Limited, of which some time before the war two of its directors were members of the I. G. Farben corporation. I want to read a statement in order that it may be looked up. The statement is as follows:

> I G. Farben and Sterling also undertook to evade the tax laws of Canada. Under basic contracts, the profits of the Canadian Bayer Company were to be divided equally between Sterling and I.G. To reduce taxation, the payment to I.G. was misrepresented as a royalty, and charged as a cost of doing business. Remittances to I.G. were accompanied by the following statement:
>
> > You will note that the compensation paid to you has been deducted as an expense of the business. In the event that the Canadian government should ever determine that such payment to you is not properly deductible as an expense, and in consequence should require us to pay an additional tax, such tax will, of course, be charged against the total profits of the year in which such additional tax is required to be paid.
>
> A similar practice was followed in the United States between 1920 and 1930. Eventually, however, it was disallowed by the income tax authorities and Sterling was required to pay half a million dollars in back taxes. Thereafter this method of accounting was discontinued in the United States but not in Canada.

I thought that later on when the appropriate minister is before us he might have looked into this situation. If we are able to collect some back taxes from this corporation, it would assist our war effort and our method of raising additional funds therefor. That is why I raise the tax suggestion at this time.

Mr. HOWE: I might say that the department has no knowledge of the stock ownership of Canadian Vickers. There has been no change in the management of the plant since the war began. Like my hon. friend, I saw some references in the newspapers to a

change in control. That affects only the stock ownership of the company, and as none of the stocks of Canadian Vickers have paid dividends for a great many years, it would not affect in any way the financial position of the company, or the interest of my department. So far as the second matter is concerned, I shall be glad to call it to the attention of the Minister of National Revenue.

Mr. COLDWELL: It might be of interest to our combines investigation department.

Mr. HOWE: Possibly.

Mr. COLDWELL: It it were drawn to their attention.

Mr. BRUCE: I do not wish to delay passing of the minister's estimates for more than a moment. I should like to ask a question or two which I think will be of considerable interest to the public. My first question is with respect to a substance known as penicillin, a valuable therapeutic agent which is now being produced in Canada. It is being produced at the Connaught Laboratories in Toronto, I think, at the instigation of the minister himself. This discovery, perhaps one of the most important in recent years, was made by a British scientist. It is on a par with the discovery of the sulpha drugs, and has carried us one stage farther in our armamentarium which enables physicians to deal more effectually with certain heretofore frequently fatal diseases.

Will the minister tell the committee what arrangements he has made not only with the Connaught Laboratories at Toronto but with other laboratories or companies in Canada for the production of the substance known as penicillin? Second, when does he expect there will be a sufficient supply to meet the requirements of our armed forces; and third, when will a sufficient supply be made available for the civilian population?

Will the minister also give the committee an explanation of the crown company known as Defence Communications Limited? I believe it was set up by order in council, but I have not seen the order. Perhaps the minister would explain why this company was organized, what its purpose is, and if it will cease operations at the end of the war. Will he also make available to the committee a copy of the order in council?

Mr. HOWE: With regard to the matter of penicillin, we have been acting under the guidance of the committee of the national research council whose responsibility it was to determine the requirements both of the armed services of Canada and of other uses, and to guide the department in the steps taken to produce penicillin. On the advice of that committee we have established two sources of supply, one, the Connaught Laboratories in Toronto, and the other, a government-owned plant in Montreal operated for the government by Ayerst, McKenna and Harrison. We are now producing penicillin in a considerable quantity. I think we have fairly well taken care of the requirements of the armed forces from our own sources of supply. Production will be greater than was anticipated when the plants were organized. A committee in Washington, on which Canada has representation, is studying the supply situation in order to determine when penicillin can be released for other than military uses. No decision has been reached as yet, but it is my belief that within the next five or six months it will be possible to release penicillin for other than military uses. Does that answer the question?

Mr. BRUCE: Yes.

Mr. HOWE: To answer the other question, Defence Communications is an outgrowth of the requirements of the armed services for communication systems in the eastern provinces. Each service was building its own communication system independently, and it was found that there was a great deal of overlapping. Finally the three services joined in requesting the Department of Munitions and Supply to undertake to provide communication services for all three branches of the armed forces. A crown company was formed called Defence Communications Limited, with which were filed the requirements of the armed services. Appropriations were made from the funds of the three armed services, and through that crown company a unified system of defence communications has been built. The work of the company is practically completed, and it is expected that the organization, which was a construction and not an operating company, can be dissolved within the next few months. I believe the operation of the company has resulted in a very considerable saving to the taxpayers, and I know the armed services are well pleased with the communication system that has ben worked out. The problem was not wholly one of construction; there was a certain amount of construction, but the problem was more particularly that of coordinating the services of private communication companies and combining with them the new construction that was necessary, so that the whole would give satisfactory service for defence purposes.

Mr. ADAMSON: Before the minister leaves the question of penicillin, what is happening to Knox college in Toronto? Is it being rebuilt to manufacture penicillin?

Mr. HOWE: It was taken over by Connaught Laboratories for the manufacture of penicillin, and for that purpose is being remodelled at government expense. It is just a building used by Connaught Laboratories for that purpose.

Mr. ADAMSON: That is the sole use made of that building now?

Mr. HOWE: Yes, as far as I know.

Mr. ADAMSON: Has the minister any idea what the remodelling has cost?

Mr. HOWE: It was three or four hundred thousand dollars; I do not remember the exact figure. I believe our investment with Connaught Laboratories for equipment and for remodelling the building is about $350,000.

Mr. ADAMSON: Has the minister any idea of the expected output?

Mr. HOWE: It is a unit with which I am not very familiar. I can tell my hon. friend there are a great many ciphers in front of the unit, but I am afraid I cannot go beyond that. It will be substantial.

Mr. ADAMSON: Will the production in Toronto be greater than the production at the Ayerst plant in Montreal?

Mr. HOWE: The intention was to have it about fifty-fifty.

Mr. NOSEWORTHY: I should like to revert for a moment to the question of coal, which was discussed this afternoon by the hon. member for Broadview. I should like to ask the minister two questions. First, what steps have been taken by the government to investigate the possibility of producing smokeless domestic coal from our bituminous coal by the low carbonization or other process, and are steps to be taken under any policy adopted or to be adopted by the government for further investigating the possibilities in this field? Second, what has been done, and what does the government propose, in regard to the production of oil from coal by the hydrogenation or any other similar process?

In connection with the first question I placed a question on the order paper last year; the answer was brought down on March 22, 1943, and appears at page 1418 of *Hansard,* as follows:

> Studies of the more promising low temperature carbonization processes in operation in Europe and the United States were made by the mines branch of the Department of Mines during the period 1920 to 1930 when low temperature carbonization was a subject of particularly wide interest. Most Canadian coals were tested on a laboratory scale at the fuel research laboratories and the results of these tests were published in departmental reports. Subsequently arrangements were made to test Nova Scotia coal by one of the most promising processes developed up to that time and operating in South Wales. This test is reported in mines branch report No. 721, investigations of fuels and fuel testing 1929. The report concludes with the following statement: "In conclusion, it might be stated that it appears to the writers that in the case of the Sydney coal field there is an exceedingly good chance of converting bituminous coal into a domestic product, comparable to the existing fuels used for heating in central Canada, economically."

Then the answer goes on to explain that—

> The hoped for development in Nova Scotia did not materialize and the anticipated expansion in low temperature carbonization generally did not take place.

As to the second question, I should like to direct the attention of the minister to information contained in a report made to the United States senate subcommittee on war mobilization, already referred to in this debate—

Mr. HOWE: On a point of order, Mr. Chairman, I would point out to my hon. friend that there is no item in these estimates referring to the carbonization of coal. That would come under the Department of Mines and Resources, and though it is an interesting subject, it has nothing to do with the discussion being carried on to-day. I wonder if my hon. friend would mind waiting and bringing up his question when the estimates of the Minister of Mines and Resources are before the committee.

Mr. PERLEY: The minister made an important statement last Friday, and I should like to have it cleared up a little if I may. At page 1818 of *Hansard* for March 24, 1944, he is reported to have said:

> During the last few months we have had sufficient steel for all reasonable purposes and the restrictions on use of steel in agricultural implements have been removed.

He also said that there was sufficient capacity for the manufacture of malleable castings in Canada to take care of the demand. Are we to understand from this statement that manufacturers in Canada now may obtain sufficient steel to take care of the demand for new agricultural implements, particularly in the west? During what we speak of as the depression years the machinery on the farms were not kept in repair; then the war came along, and much of the machinery is practically worn out. There is quite a demand now for new machines, and they are very difficult to get. Before I left home in January I had some experience with the permits required by the prices board in order to purchase new machines, but if this statement means that the manufacturers will be

allowed sufficient steel to take care of the demand I think it will be a splendid thing, particularly in view of the man-power situation. In the last two years particularly the use of power equipment in the production of grain has considerably increased, and I hope the equipment will be forthcoming to enable this development to continue. It would be a splendid thing also if enough repair parts could be supplied to take care of the requirements in that line.

While I am on my feet I should like to say a word or two with respect to the production of alcohol from grain. There has been a good deal of discussion in that connection, and we know what is happening in the United States. I hope the minister will keep in mind the possibility of permitting some industries to be established in the west, right where the grain is produced, to provide facilities for the production of alcohol from grain to be used in the manufacture of synthetic rubber. I may say also that with the power we will have when the men come back from overseas, and the increased man-power which will be available to operate power equipment, it will be possible to produce grain cheaper than it is being produced to-day. It is not fair to compare the price of grain to-day, when we are considering the cost of producing alcohol from grain, with what the condition will be after the war, because we will be producing grain much cheaper than it is being produced to-day. The committee would be surprised if I were to state the price at which one of my constituents produced 18,000 bushels of wheat last year. He has a record of it. I would not like to say exactly what he produced it for, because it might cause the Minister of Agriculture or the Minister of Trade and Commerce to refrain from increasing the price, as we would like to see it to-day.

This afternoon, the hon. member for Macdonald referred to the lumber question. Certainly the independent dealers have not been getting as much as they would like. But the lumber they are getting, that which is being distributed in the central part of Saskatchewan, is not of the quality it should be. The hon. member for Melfort discussed that question this afternoon. Some action could be taken by those who are in control of the lumber supply to see that the people in the southern part of Saskatchewan get a better quality of lumber. It is available. Of course I can appreciate the fact that for the export market the large dealers have to have a high grade of lumber. I believe, however, that if a check-up were made on those producing lumber in the northern part of the province, a better quality could be produced and could be made available to the interior.

I would ask the minister to make a statement with respect to the supply of steel to the implement companies manufacturing in Canada. Do we understand from his statement that there will be a more liberal distribution of implements available for production in western Canada?

Mr. HOWE: In 1939 the steel used by implement companies amounted to 30,150 tons. For 1944-45 we have released 81,750 tons of steel to the implement companies, which is an increase of 271·1 per cent.

Mr. GRAYDON: In the report of subcommittee No. 4 of the war expenditures committee, which appears in *Votes and Proceedings* for Wednesday, January 26, 1944, there are set out certain shortages which still exist and which retard the production of ample quantities of farm implements. That report shows shortages of malleable castings, ball and roller bearings, seasoned fir and oak required for the production of certain types of farm machinery, and experienced man-power.

I am quite sure that the minister has given some consideration to the recommendations of this committee. I never could quite understand why this committee in its deliberations and in the taking of evidence should have been sitting behind closed doors, as was the case with some of the other committees. That is my view, after looking over the report. I cannot see that much comfort could be given to the enemy by anything that would be discussed so far as farm implements were concerned.

That brings me to this one point: Was it the suggestion of the minister or of the government that rubber production, or synthetic rubber production, particularly the operations of Polymer in Sarnia, should be submitted to the war expenditures committee at this time for consideration? I understand that one of those subcommittees is about to deal with Polymer and synthetic rubber.

Mr. HOWE: I have never at any time made any such suggestion, and I think it is a very improper suggestion to say that I have. These committees are investigating my department. They investigate where they like and as they like. It certainly would be improper for me to send them on a wild goose chase, or otherwise. I do not like the suggestion.

Mr. GRAYDON: The minister is picking up every kind of question that is directed to him, as a suggestion. If he will go over my remarks carefully he will find that I did not even hint that he had made any such suggestion. I only asked him at whose suggestion it was made, and whether he had made it. Because it would seem to me that with the Polymer plant only

starting, and with synthetic production getting under way, there are very many other things at which the war expenditures committees might more properly be employing their talents, and this was one of the things which might perhaps be left over. I never have heard any serious complaint about synthetic rubber production or about the set-up of Polymer—except in some quarters, with respect to the whole matter of government crown companies, which is a general subject, or might be described as a general line of policy which some take. I am glad to hear that it was not the minister who was sending the committee on an investigation of that kind. Even if it were necessary to have this particular matter investigated prior to other matters, it did not seem to me that there was much reason for investigating this plant.

Mr. REID: I am one member of the committee which is going to visit the synthetic rubber plant. I think the suggestion was made—because I was there when it was made—that the product was so good and the output so wonderful that the committee should visit the plant merely in order to see it, not to investigate the output or what was being done.

Mr. GRAYDON: That just raises the whole question. I do not know whether this means now that the war expenditures committee is going on a lot of joy rides so far as this whole question is concerned, that is the way the hon. member indicates it. If this is one of those wonderful plants, I know of no reason why the war expenditures committee, which might be putting its time to better use, I think, need to be taking a trip of that kind at the country's expense.

Mr. REID: A statement of that kind is very much uncalled for. I have been a member of the committee for three years, and I have never had any joy trip yet. But if I took a trip, or took it upon myself at any time to visit a plant, just because I was anxious to get information and see how the work was done, I would resent its being called a joy ride. I say it is most uncalled for to refer to it as a joy ride. Personally I want to see what is deing done.

Mr. GRAYDON: So far as a joy ride is concerned, the hon. member himself was the one who gave the description which led me so to designate it. I was not suggesting that the hon. member was taking a joy ride because of the work he had to do on the committee. It does not reflect upon him. But if the facts are as he has indicated, that we are going to some of our best plants to see what is going on, then surely that is carrying the work of the war expenditures committee much farther than was intended.

Mr. REID: It is going too far to say that the war expenditures committee is to have no opportunity to see what is being done. I believe it would pay you to go and see it. You do not seem anxious to go to see what is being done.

Mr. HOWE: I suggest that this debate is entirely out of order. I cannot see the impropriety of the war expenditures committee, set up to protect the taxpayers of Canada, looking into the expenditure of $45,000,000 of the taxpayer's money. I think that is a very proper excursion.

Mr. ROSS (Souris): I pointed out that there was a variation between the figures of the war expenditures committee and those of the minister. If we could have it clearly stated by the minister that there is no shortage of steel or of other raw materials going into the manufacture of farm implements, then when we come to the Minister of Labour and national selective service and the wartime prices and trade board we may be able to get to the root of this matter. A greater production of farm implements is sadly needed at the present time. We have been led to believe that the chief difficulty is the shortage of steel and raw materials. The farmer has been willing to labour under almost any disadvantage if steel and raw materials are not available, but more labour-saving implements should be made available as soon as possible. If these materials are available, then we can take up the matter when we are dealing with the other departments.

Mr. HOWE: I have just given the figures. I have nothing to do with the production of farm implements, other than to release certain strategic materials, one of which is steel. This year we have allocated 271·1 per cent as compared with what was used in 1939, which was a fairly good year. That is quite a bit of steel, and I dare say that if more is needed we shall be able to allocate more.

Mr. ROSS (Souris): More labour would help production.

Mr. HOWE: I do not know about labour.

Mr. GOLDING: When we made our inquiry into the production of farm implements we received the assurance of the steel controller that he would see to it that the implement producers received sufficient steel to carry on their programmes. But there is a definite shortage of ball bearings and malleable castings. Ball bearings are not produced in Canada, and I know that the plant at home

has had extreme difficulty in obtaining this product as well as malleable castings. We had the officials before us; we endeavoured to point out as best we could the situation in connection with the supply of both these products, and we had their assurance that they would give every consideration to seeing that the implement producers obtained supplies.

I must say that we had the best of cooperation from all officials who appeared before the committee. We carried out an inquiry which I think was very useful. We presented the situation from the manufacturers' viewpoint and we received representations from farmers and from the federation of agriculture. I have spent a good deal of my life in this business and I think I know something about it. I believe I know what the implement manufacturers are up against in getting supplies of certain items. That is one reason why we made the recommendations we did. Because of the greatly increased use of tractors and other implements of the kind, the time has come when Canadian manufacturers should see that more of these items are produced in Canada. I hope that the recommendations we made will have some effect.

Mr. ROSS (Souris): I placed most of the names of those officials on the record when I was speaking previously. Is the hon. member of the opinion that ball bearings and malleable castings will be produced in Canada in the near future?

Mr. GOLDING: Malleable castings are made in Canada at the present time, but they are in short supply both here and in the United States. We felt that it would be in the interests of the farm producers to recommend that a subsidy be paid in connection with the production of malleable castings. We know there is a tremendous shortage of labour and if our farmers are going to produce what we want them to produce they must have these implements and labour saving devices. Every official before us intimated that he would cooperate to the fullest extent.

Mr. WOOD: There is no doubt that there is a shortage of farm implements, but I think it has been due mainly to the greater demand from farmers. Farmers are paying off their mortgages and reducing their debts to the implement firms because of the higher prices they are receiving, and this has created a greater pressure for more implements. I am inclined to think that this shortage of agricultural implements is not an unmixed evil. The fact that we have been able to increase our agricultural production forty-five per cent is a fairly clear indication that we have made good use of the implements we have. I have no doubt a lot of old implements have been taken out of fence corners and repaired. I picked up for $5 an old cultivator of the same make as one I had; by a certain amount of conniving I now have a good cultivator and shall not have to buy a new one. What has happened to me has happened to many other farmers. No one likes to have a new machine more than a farmer, but sometimes he is induced to buy a machine by the brightness of the paint or by a glib-tongued salesman. I have known many farmers who have been kept poor by their purchases of implements. They have been told by these salesmen that the implements would pay for themselves.

Since we are dealing with the question of steel, I should be inclined to think that one of the things our farmers need, especially in Ontario, is more steel for farm roofs and eavestroughs. The situation in this connection is becoming much worse, and more steel should be released as soon as possible. It will be said that there are substitutes for steel roofing, such as manufactured roofing or shingles, but—

Mr. GRAYDON: Brantford roofing.

Mr. WOOD: That would be the very best you could possibly put on a farm building if you wanted roofing of that kind. The trouble is that where you have a barn with open siding it is not as satisfactory as the steel roof. The steel roof will stand higher winds. I know of many buildings that need roofs badly. We are producing many products which must be kept under cover, and serious consideration should be given to this phase of the matter. I have often wondered why more pressure has not been brought to bear upon the minister in connection with this matter.

Another matter was brought to the attention of the committee on Tuesday, March 21, by the hon. member for Lake Centre. He wanted to know what disposition would be made by the government of the temporary buildings which had been built for war purposes. Then he said, as reported at page 1716 of *Hansard:*

> I would point out that I have not yet received an answer to the question as to whether or not it is the intention of this government to operate any industries after the war in opposition to private enterprise.

I consider that that question should not go unanswered. I think the people of Canada are anxious to know which way we are drifting. I have no hesitation in stating where I stand. I take the position that we must do everything possible to protect the principle of free enterprise in the main. Only where free enterprise cannot function in the best interests

of humanity should the government lend its support. I know where the people whom I represent stand on the principle of free enterprise. They are in favour of maintaining this principle which has brought Canada to the high standard of living now enjoyed by our people. True, there must be corrections made from time to time, and I have every reason to believe that we can make those corrections. But I think the minister would be wise in making a declaration of policy, particularly since he has shown himself a master of organized enterprise in accomplishing what he has accomplished in this war. It has been largely done under the policy of free enterprise. Perhaps the fact that Canada's contribution is the greatest per capita of any of the united nations is because in no other country has free enterprise had full sway as it has in Canada. Furthermore, what we have accomplished has been done at far less expense than what has been accomplished in other countries. In spite of our magnificent effort we have kept the per capita debt of our people down; it is much less than the per capita debt of our neighbours to the south and of Australia, New Zealand and almost any other country. That in itself is a credit to the policy of free enterprise under which we have worked and a tribute to the minister in organizing industry in Canada. I have always stood for the principle of free enterprise, and I hope that we shall be able to maintain it in this dominion.

I noticed that the hon. member for Lake Centre, when he asked the minister to make a statement of policy, seemed to have qualms as to the position of his own party on free enterprise. I noticed that the *Globe and Mail* in November last reported speeches in which the Hon. George Drew and his minister of agriculture stated that it was the intention of the Progressive Conservative party in Ontario to go in for making refrigerators, bathtubs and such like, at cost, for the benefit of the farmers. So that we know which way they are going.

Mr. GRAYDON: Are you objecting to that?

Mr. PERLEY: You told us about bathtubs in the first speech you made in this house.

Mr. WOOD: I take issue with the hon. member for Qu'Appelle because I did not. I am afraid he, too, must be suffering from qualms of conscience to bring that up.

Mr. GRAYDON: You have not answered my question yet.

Mr. WOOD: One at a time.

Mr. GRAYDON: Are you objecting to the proposal of lower cost of refrigeration and bathtubs for the farmers?

Mr. WOOD: I did not say that.

Mr. GRAYDON: I think you are wise to keep away from it.

Mr. WOOD: The hon. member has not shown too much wisdom himself, so that I do not think he needs to give advice, much as I respect him and enjoy his friendship. But he does blow a fuse quite often in his remarks.

I was going on to say that the *Globe and Mail* reported the Hon. T. L. Kennedy, minister of agriculture in the Ontario government, as having said:

> It is my idea that the government would finance the manufacture of these—

That is refrigerators.

> —and sell them to the farmers at actual cost price.

Mr. GRAYDON: Is that what you are objecting to?

Mr. WOOD: That is not the point. I am speaking of the principle involved.

Mr. GRAYDON: Are you objecting to the principle?

Mr. WOOD: I would object because I do not think the government can manufacture and sell them at cost as well as private enterprise. I want the farmers to get the best deal possible and I believe it is better to let them get these things through private enterprise. The Retail Merchants' Association was concerned over this proposal of the Ontario government and considerable correspondence passed between them and the minister of agriculture in the Ontario government about it. What I am drawing attention to is that we now have the Progressive Conservative party declaring itself on the principle of going into the manufacture of articles which private enterprise has made a fairly good job of manufacturing in the past. We now know where the Progressive Conservative party stands. We also know where our Cooperative Commonwealth Federation friends stand, because they have declared themselves definitely for the nationalization of industry.

Mr. LOCKHART: What item are we on, Mr. Chairman? How long have we to put up with this?

Mr. WOOD: I do not take up very much of the time of this chamber. As a quiet member, maybe I do a little more thinking than some other hon. members, and these are some of the matters I have been thinking about. I

thought it wise to draw to the attention of the committee the road we are travelling. All we can judge a party by is the things it does, not what its members talk about. I was saying that under the principle of free enterprise we have made a magnificent effort in this war. On the other hand, if the Progressive Conservatives have declared themselves for the nationalization of the refrigeration and bathtub industry and such like—

Mr. GRAYDON: Haldimand-Norfolk, the county next to yours, seemed to like it.

Mr. WOOD: I am not so sure. I would not take too much glory to myself over that. One sparrow does not make a summer by any means.

Mr. STIRLING: Did a sparrow ever?

Mr. WOOD: The fact of the matter is, I think, that the minister should not let this opportunity pass to make a statement of his viewpoint on the principle of free enterprise. Ours has been a magnificent accomplishment to the extent of around five billion dollars under more or less of a mixed policy. I believe we have a right to know what the future has in store for us, and I hope we shall hear from the minister.

Mr. FRASER (Peterborough West): On March 21 I asked the minister for the total amount of purchases for the United States that had been made by the United States purchasing branch of his department.

Mr. HOWE: I told my hon. friend that I did not care to give that figure.

Mr. FRASER (Peterborough West): Coming to another branch, transit control, I have had complaints from dealers who handle fruit that during the summer months when peaches and other crops are coming along they are unable to get fresh fruits into our part of the country unless they can use their trucks, and when they are limited to 35 miles it holds them up.

Mr. HOWE: That problem is not in my department. It comes under the administrator of services, which is under the wartime prices and trade board.

Mr. FRASER (Peterborough West): Does it not come under transit control?

Mr. HOWE: Not trucks.

Mr. FRASER (Peterborough West): I have another item. This is from the Department of Munitions and Supply, being one of its releases in regard to construction and alteration of plants. They have jumped the value from $2,500 to $5,000. Up to $5,000 a permit is not needed. The same change applies to the installation of equipment in plants. What I want to get at is this. There is an order, which I believe is 284, which does not allow a plant to be extended with new machinery being put in. You cannot put new machinery in a new space. Does this do away with that order?

Mr. HOWE: No. If it is all one project it should be so named. If the project extends the plant and installs machinery in the extension, and should it cost more than $5,000, a permit is needed. On the other hand, if it is simply a question of installing machinery in an existing plant, that machinery can be installed up to $5,000 without a permit being required. But each must be a complete transaction.

Mr. FRASER (Peterborough West): Yes; but suppose a firm own a building next to them. They could not take a machine from the building in which that machine is already installed and put it into the other building. Here you are extending the plant; you are allowing them to extend the plant and put in new machinery.

Mr. HOWE: The safest thing for my hon. friend's friends to do is to apply for a permit. Permits are not hard to get.

Mr. FRASER (Peterborough West): This firm applied before the order came out and they were refused permission to put one of their machines into another building which they owned. I want to find out whether this order that has now come out cancels the controls that formerly obtained.

Mr. HOWE: It amends the control order. That is the order my hon. friend has been referring to, but I cannot give interpretations of every order put out.

Mr. FRASER (Peterborough West): Neither can the manufacturers, and that is the trouble. Sometimes they are held up for months, while the firm is anxious to go ahead and manufacture, in most cases munitions.

Mr. ADAMSON: A few days ago I asked the minister about the programme of subcontracting machine shops in mining companies in Canada. They were doing rather extensive retooling work. Was the programme successful or was it gone into?

Mr. HOWE: Yes, the programme was very successful. We have had a great many ship components made by machine shops of the mining industry as well as by machine shops of the pulp and paper industry. That capacity not only has meant a considerable saving in the installation of new machine tools but has

distributed the work where the man-power was available and has been helpful in the whole programme.

Mr. ADAMSON: Is it still going on?

Mr. HOWE: Yes.

Mr. DIEFENBAKER: I should like to secure information in connection with the availability of man-power. The Minister of Labour (Mr. Mitchell) yesterday referred to the need of combing industry in order to secure the necessary men for the armed forces during the months to come. The first question I want to ask in that regard is this: Is there to-day, or has there been within the past three months, any shortage of man-power in any of the key industries under the minister's control? If so, in what industries and to what extent is there or has there been a shortage?

Mr. HOWE: We always have shortages in certain industries. Shortages vary from time to time. In the last two or three months the most acute shortages have been in the malleable casting industry and in the motor vehicle industry. As far as I know, the motor vehicle industry has never had all the men that could be used. There are other industries in which there are shortages from time to time. Certain shortages develop and are corrected, but the main shortages of the past three months have been in the two that I have mentioned. Of course, in lumber we could always use more men than were available. The cut of lumber is proportionate to the number of men engaged in the industry, and if we had twice as many men we could perhaps cut twice as much lumber. There is a demand at home and abroad for all the lumber that can be cut. In base metals the situation was acute but has been largely straightened out. The man-power situation is not bad in the base metal mines; the shortages are in the rougher and heavier jobs.

Mr. DIEFENBAKER: What is the amount of shortage from month to month?

Mr. HOWE: I cannot say; the Minister of Labour could tell the hon. member that.

Mr. DIEFENBAKER: Well, the minister is in charge of the department and he was able to give information to the press as to the shortage a few months ago.

Mr. HOWE: What did I say?

Mr. DIEFENBAKER: In the Toronto *Star*, the minister is reported as having stated on December 2, 1943:

> There is a shortage of 55,000 male workers and 16,000 female workers in the highest priority war industries alone.

[Mr. Howe.]

These figures apparently were available to the minister then. He must have figures showing the situation from month to month in regard to man-power. The allocation of man-power naturally falls on the shoulders of the Minister of Labour. The responsibility for mobilization is his. The question I am asking the Minister of Munitions and Supply is this. Is there a shortage to-day of male and female workers in the war industries? If so, what is the latest available figure on such shortage?

Mr. HOWE: Does my hon. friend wish me to give him the statistics of the Department of Labour? He can get those from the Department of Labour. It happens that I have them, but I do not know why I should give them to him.

Mr. GRAYDON: If the minister has the information, surely he has no objection to giving it.

Mr. HOWE: They are given to us as confidential; I do not know how confidential. However, I will give the figures. On March 10, 1944, unfilled vacancies in A priority industries were 30,411; in B priority industries, 24,408; in C priority industries, 6,115; in D priority industries, 10,158. The total of priority labour requirements was 71,092.

Mr. DIEFENBAKER: I do not know whether this information can be given, but is the minister in a position to advise what is the nature of A, B, C, and D priorities? What industries fall under them?

Mr. HOWE: That is confidential.

Mr. DIEFENBAKER: Well, I will not press that because I can understand that there might be such a situation. The minister is reported to have stated recently that certain single-purpose plants have been closed down and in particular that one or more explosive factories have been changed into fertilizer factories. Have any explosive factories been closed down; if so, where? Which ones have been changed into fertilizer factories? I believe this is the first example of a transition from war-time to peace-time production.

Mr. HOWE: The only plant manufacturing explosives that has been closed down that I know of is the plant at Nobel. We had three plants manufacturing propellants and explosives, one at Winnipeg, one at Nobel and one at de Salaberry. The operation at the Nobel plant was of a type that could best be spared. It was a question of operating each of them at half capacity or closing one and operating the other two at a rate of capacity that would mean efficient production. It was therefore decided to close down

the Nobel plant. The other plants to which my hon. friend refers are plants manufacturing ammonia for explosives. One plant is at Calgary. It is government-owned, and the other is at Welland, also government-owned. The full production of ammonia from those plants was not required for explosives. All surplus ammonia is now being used in making ammonia nitrate by a process worked out in the plants themselves. The ammonia nitrate is found to make a very good fertilizer. The two elements required in the synthetic fertilizer are ammonia and nitrate. The product of these plants has a wide sale at attractive prices.

Mr. DIEFENBAKER: The plant at Calgary is not a government plant?

Mr. HOWE: Oh, yes.

Mr. LACOMBE (Translation): Mr. Chairman the scandals and the shameful favouritism which have been brought to light in war industries are such as to make the government conscious of the distressing deficiencies of the national selective service. An investigation should be held at once by a royal commission about employment at the Bouchard plant. The investigation should also bear upon the administration of the Sainte Thérèse local office of the national selective service. The government should not elude their responsibility by arguing that private companies are involved. The government give those companies financial assistance running into hundreds of millions of dollars. Let the government insist on calling them to account, and the people will be satisfied. Since we are fighting for the triumph of justice and right, unfairness should not be rampant as regards employment in war industries, nor should it prevail in other fields.

Mr. FRASER (Peterborough West): Would the parliamentary assistant to the minister give us some indication with regard to the supply of tinplate for making cans for canning vegetables? Is there a shortage and what will the situation be this year?

Mr. CHEVRIER: I presume what the hon. member for Peterborough West is asking about is galvanized plate.

Mr. FRASER (Peterborough West): No; tinplate for canning fruit.

Mr. CHEVRIER: The position is that tinplate is in short supply all across the country and there is very little hope of its being released.

Mr. FRASER (Peterborough West): When I visited Deep Brook training camp and some of the other training camps I noticed that the canned milk which was supplied to the men was given to them in quart tins, and in one place just before the meal hour they dumped the milk into jugs. There must have been hundreds and hundreds of these quart cans. Would anything be saved if that milk were given to them in gallon cans? I think a lot of tinplate would be saved if the milk were put in gallon cans.

Mr. ROSS (St. Paul's): I do not know whether the minister has made any statement in connection with the importation of domestic coal into Ontario for the coming winter and what the situation is to be. What is the prospect for obtaining coal in large cities like Toronto? I think the citizens of Toronto used a great deal less coal last year than they would otherwise have used, and that was owing to the request that was made. Would the minister make a statement as to what the prospects are?

Mr. HOWE: The coal requirements of Ontario are necessarily imported from the United States. Last year we were able to obtain sufficient bituminous coal for our requirements. In the matter of anthracite we obtained the same proportion of our total requirements as was issued to the citizens of the United States. There was a shortage. I think actually we received about three-quarters of our requirements. I presume that the United States will treat us as one of their own in the matter of coal in future as they did this year. If there is a shortage in the United States we will expect to share that shortage. Whether there will be a shortage or not I cannot say. I referred to the matter when I made my statement in the house and I urged users of domestic coal, particularly in the central Canada area, to be as economical as possible with their coal.

Mr. FRASER (Peterborough West): With regard to coal, I have a letter here from one of the largest dealers in anthracite. It is addressed to one of his dealers and reads in part as follows:

> The new programme readjusts each dealer's tonnage for the current season to approximately eighty-two per cent of his last year's shipments. Until about December 15 . . . anthracite went forward on the basis of a ninety per cent programme. . . .

That would be eighty-two per cent of what they received last year, which was only ninety per cent. The complaint in the city of Peterborough is that some of the coal they are getting there now is unfit to burn. We have practically no anthracite in Peterborough. The burning of soft coal means that at the end of the season practically all homes will have to be

redecorated, because the soft coal makes a mess of the home. They are very anxious to get some of the Alberta coal.

Mr. NEILL: For many years past the government have been paying a subsidy on coal produced at the Comox mine in Cumberland, British Columbia, and possibly also in Nanaimo. That has nothing to do with war services. I should like to ask the minister if they are receiving or if they will receive any subsidy under the war measures that he is handling, and whether it would be affected in any way by the orders in council to which he referred yesterday? I refer to the orders in council which make changes in the war subsidies.

Mr. HOWE: There was no provision for subsidies in the statement I made in the last day or two. It covered only the mainland and prairie mines. I am not sure of the position of the British Columbia mines, but I shall be glad to get the information from the coal emergency board and advise my hon. friend.

Mr. ROSS (St. Paul's): In connection with plants manufacturing munitions of war, and especially in connection with subcontractors, when it is anticipated that some particular article may not be needed in the near future does the department advise the contractor or subcontractor a reasonable length of time ahead, so that the necessary adjustments may be made? As the minister knows, from time to time there have been rumours as to lay-offs at the Toronto Shipbuilding Company, and I understand the mayor of Toronto has taken up the matter with the minister. What is the position there now? What is the backlog of orders? How long will the Toronto Shipbuilding Company be in full operation? Is this advance information, which I think is important, given to the plants concerned, in order that they may adjust their processes accordingly?

Mr. HOWE: When we are notified of a programme change the plant that is interested in that programme is advised immediately; and if a lay-off is contemplated in the near future, selective service is advised at the same time. The hon. gentleman asked about the backlog of orders for the Toronto Shipbuilding Company. Unless there are further cancellations, the Toronto Shipbuilding Company has all the work it can do this season.

Mr. ROSS (St. Paul's): The minister said that his department notified selective service. In order that the organization within the plant may be kept together instead of having the men go elsewhere to work, is any endeavour made by the department to substitute the manufacture of some other article which may be in short supply?

Mr. HOWE: My hon. friend was referring to the Toronto Shipbuilding Company. There is no problem of substitution in that case; the yard is busy at the work for which it was organized. Any lay-offs in the past resulted from the fact that the yard was overstaffed, and in the reorganization of the management the staff was brought down to a normal operating level. There is no shortage of work there.

Mr. ROSS (St. Paul's): I could have mentioned several other plants. For instance, what about the Sutton Horsley plant, where the staff has been reduced by about fifty per cent? The minister stated that this plant had been engaged in the manufacture of instruments for training planes. Is there any reason why it could not have been given other orders instead of laying off those employees? I was not referring particularly to the Toronto Shipbuilding Company; I was using that just as an example. While I am on my feet, the minister said he did not think the great lakes yards would be able to build freighters because of the tonnage and draught.

Mr. HOWE: I did not say anything of the kind.

Mr. ROSS (St. Paul's): Last evening, in answer to a question I asked, the minister said, as reported at page 1896 of *Hansard:*

> The type of boat which can be built on the lakes is restricted, either to tonnage for the great lakes, or to tonnage which can pass through the St. Lawrence canals.

The tonnage really does not affect it; the lake boats are of all sizes, some of them quite large. I was wondering whether in future these yards would be capable of manufacturing lake freighters economically.

Mr. HOWE: The lake yards have built all the lake freighters there are; they are still at least as efficient as ever they were, and I think they will continue to build the lake freighters.

Mr. ROSS (St. Paul's): They have not built them all.

Mr. HOWE: Oh, yes.

Mr. McGARRY: I should like to ask a supplementary question, in regard to the manufacture of tools and small parts by some of the mining plants throughout Canada. At the beginning of the war the mining company at Inverness, which has an efficient

machine shop, made application for work of this kind. I understand that the plant was investigated, but no contracts have been offered. I wonder if the investigation disclosed that this work could not be done economically or satisfactorily, or that the requirements could not be met. Could the minister give some information as to why this plant was not given any contracts?

Mr. HOWE: Of course there are thousands of subcontracts, but I shall be glad to look up the report on that plant and advise my hon. friend later on.

Mr. ROSS (St. Paul's): The minister told us what had been done in connection with coal. Does he know what the prospects are for the future?

Mr. HOWE: No. Future prospects in connection with coal for the Toronto area are beyond my control; we are dependent upon the United States for that coal. We shall do our very best to get the largest possible supply that can be made available.

Mr. ROSS (St. Paul's): The distribution of the coal and the quantities allotted to individuals come under the control of the minister, and people wish to know the prospects of getting coal from the United States. Is the supply going to be long or short? People want to make their arrangements as early as possible.

Mr. TUSTIN: A few moments ago the parliamentary assistant partly explained the situation in regard to tinplate. Last year there was a considerable shortage in the production of canned vegetables in particular. Was there any carryover of tinplate or cans last year? Did I understand the parliamentary assistant to say that tinplate was still in very short supply and there was little chance of an increase in the supply this year?

Mr. CHEVRIER: I did say that tin was still in very short supply. I said nothing about the chance of an increase this year, but I shall be glad to look into the matter.

Mr. TUSTIN: Then could the parliamentary assistant say whether there was a carryover last year of manufactured cans or of tinplate? There is a great shortage of canned fruits and vegetables at the present time, and there was a short crop last year. This year the government is urging greater production, and is increasing the subsidy on some of these commodities. If production is to reach the point it should, it will be absolutely necessary to have a greater number of cans or a greater amount of tinplate for the manufacture of cans.

Mr. CHEVRIER: The Department of Munitions and Supply allocates the raw material used for that purpose, but the question directed to me by the hon. member really deals with a matter under the jurisdiction of the wartime prices and trade board. Since I replied to the hon. gentleman a moment ago I have been advised that there is very little chance of the tinplate situation easing any this year.

Item agreed to.

3. Housing development, $11,000,000.

Mr. WRIGHT: I believe the hon. member for Mackenzie, who is attending a committee meeting this afternoon, desired to have this item left over until this evening so that he might discuss it. I understand he made some arrangement with the minister in that regard.

Mr. CHEVRIER: Would the hon. gentleman allow the item to go through now, with the understanding that the hon. member for Mackenzie will be permitted to discuss the matter on some other item?

Mr. LOCKHART: Would the minister say just what this item covers, and give us some details in connection with it?

Mr. HOWE: It covers commitments for wartime housing made during the past year, together with $1,000,000 for new expenditure if required.

Mr. LOCKHART: Expenditures on what?

Mr. HOWE: On housing.

Mr. LOCKHART: Wartime housing only?

Mr. HOWE: Yes.

Mr. LOCKHART: And nothing to do with any other type of housing?

Mr. HOWE: No.

Item agreed to.

4. Land and other miscellaneous physical property, $3,000,000.

Mr. WRIGHT: Will the hon member for Mackenzie be permitted to discuss this matter when he returns?

Mr. HOWE: Yes, on any other item before the committeee when he comes in.

Item agreed to.

5. Production subsidies and other miscellaneous war expenses, $25,000,000.

Mr. GREEN: Will the minister explain the present position respecting the iron mine at Steep Rock. What progress has been made; what money has been spent, and what are the commitments?

Mr. HOWE: The mine at Steep Rock has nothing to do with these estimates. It is a project brought before the cabinet as a whole by the Canadian National Railways. One difficulty about opening up the mine was that existing freight rates were not competitive with freight rates from the Mesabi range to Duluth. Government assistance was given to equalize freight rates for a period. The rate was equalized for the movement of the first 5,000,000 tons, and by assistance to the extent of twenty cents a ton for that movement. In addition, the government undertook to finance for the railways an ore dock at the head of the lakes to permit ore to be transferred from rail to boat.

Mr. GREEN: What progress has been made?

Mr. HOWE: I know very little more than my hon. friend; all I know is what I have read in the press. I understand, however, that the dewatering process is well advanced. In the last statement I saw, it was predicted that ore would be produced from the mine in August.

Mr. GREEN: In August of this year?

Mr. HOWE: Yes.

Mr. GREEN: I have one other question, respecting subsidies paid on coal. As I understand it, when wages were raised last fall a subsidy was paid on coal imported from the United States which, of course, is used largely in central Canada. The price to the consumer remained what it had been before the increase in wages. But in the west the price of coal was allowed to go up. Will the minister explain why that was done, and whether that is still the position? It would seem to have been an unfair move, so far as the western consumer is concerned. However, there may have been some reason for that action.

Mr. HOWE: The government is subsidizing practically all domestic coal production in the west to-day. I have read in this house the revised subsidies, some of which are substantial. They were built up in order to keep uneconomical mines in operation during a period of great scarcity. I read in the house two or three days ago a revised schedule of subsidies which provide for subsidies varying from sixty-five cents down to fifteen cents a ton. These arose out of increases in the cost of living bonus and in wages, prior to the wage increase to which the hon. member has referred, which increases were beyond the capacity of the mines to meet. The operators could not stand the increased cost of production, and to keep the mines in operation the government paid a subsidy. It was felt that the government could not be put in a position of being forced to subsidize every time a mine found it necessary to increase wages. When the increase came last summer it was pointed out that if more wages were necessary an increase in the price of the product would also be necessary. Then the hon. member referred to a bonus on imported coal in central Canada.

Mr. GREEN: The point I have made is that the price to the consumer was raised in the west, but not in the east.

Mr. HOWE: There was no similar situation in the east. Bituminous coal brought into the central provinces from the United States is not bonused. It is bought by dealers at the going rates, and is resold to the public without any bonus. On anthracite there is a small subsidy.

Mr. GREEN: Is a subsidy paid on it.

Mr. HOWE: No, not on bituminous; but there is a small subsidy on anthracite, amounting to about twenty or twenty-five cents a ton. I cannot tell my hon. friend just how it arises. I think there was at the source of origin an increased cost, which, it was felt, could not be passed on to the producer at the time. The subsidy amounts to something less than twenty-five cents a ton—possibly twenty cents a ton. Certainly it is not more than twenty-five cents. So that the subsidy paid in the east, even on anthracite, is less than the subsidy paid in the west or in the maritimes.

Mr. GREEN: The trouble was that the price went up in the west and it did not go up in the east.

Mr. HOWE: Yes, but when a gun is put to our heads in a time of great emergency, sometimes we have to take what comes. The government cannot be placed in the position of subsidizing a product every time it becomes necessary to raise wages.

Mr. GREEN: What was the basis for subsidizing in the east?

Mr. HOWE: The same basis as for subsidizing in the west. We subsidize western coal to-day, anywhere from fifteen to sixty-five cents a ton.

Mr. ROSS (St. Paul's): The basis for subsidizing soft coal in the east was not the same, because stoker coal has gone up from about $7 or $8 a ton before the war to a present price of $11.

Mr. HOWE: It is not subsidized.

Mr. ROSS (St. Paul's): And the same with steam coal?

Mr. HOWE: It is not subsidized, either.

Mr. ROSS (St. Paul's): The public have to pay the extra cost; that is the answer. I do not quite understand why eastern coal, under the same circumstances, should not have been subsidized.

Mr. HOWE: Eastern coal is subsidized.

Mr. ROSS (St. Paul's): Eastern coal is?

Mr. HOWE: Maritime coal, yes.

Mr. ROSS (St. Paul's): I do not mean that. I mean central coal. Our people in the central provinces have to pay for it. It is a matter of keeping the cost of living down; that is the idea of the subsidy. It is a serious problem, especially in the city of Toronto where rentals are frozen. The Toronto Housing Company, a philanthropic organization with which I am connected, cannot get more rentals, and we are faced with $5,000 or $6,000 a year more than we used to pay in our outlay for coal. The east and the west are subsidized, but we in the central provinces are not. That does not seem to be a position of equality.

Mr. DIEFENBAKER: Will the minister give particulars respecting the estimated total of about $31,000,000 in the current year? To whom were those subsidies paid, and in respect of what production? I refer to the estimated expenditures for 1943-44, amounting to $30,995,435.35.

Mr. HOWE: The total expenditure, to the end of last year, is $24,303,981. My hon. friend will realize that the full period has not yet elapsed.

Mr. DIEFENBAKER: What is the end of the year?

Mr. HOWE: The figure my hon. friend is looking at is that for the end of the last calendar year. The estimated expenditure for 1943-44 is for the fiscal year, which is not yet ended.

Mr. DIEFENBAKER: What are the particulars?

Mr. HOWE: Emergency coal production board, $4,581,198.

Mr. LOCKHART: What kind of coal? In some instances there were drawbacks on bituminous coal and I am just trying to find out what they were.

Mr. HOWE: I cannot give all the details, but I can say that the subsidies provided by the emergency coal production board during the nine months to which I referred were $4,581,198.73. The details are as follows:

Experimental development costs..	$1,205,588 92
Production measures, relocation of oil storage	350,489 11
Duties and taxes re United Kingdom government	1,553,125 26
War risk insurance carried by government plants	1,312,019 00
Administration expenses of non-producing government owned companies	1,641,619 46
Miscellaneous—interest on bank overdraft	972,544 99
—plant payment....	981,800 00
Sundry payments	2,095,662 84

Mr. DIEFENBAKER: Would the cordwood subsidies come under that?

Mr. HOWE: I imagine that they would fall within the period which is not covered. My hon. friend will undertsand that I can bring my figures up only to the end of the calendar year, and I imagine the cordwood subsidies would fall in the last three months of the fiscal year.

Mr. DIEFENBAKER: Then it is correct to say that no cordwood subsidies are included in the $24,000,000 up to December 31 last?

Mr. HOWE: I would not say that.

Mr. DIEFENBAKER: That is what I am trying to get.

Mr. HOWE: I do not know how much they would amount to, but I hardly think they would be large. I have a statement made up to the end of the calendar year and there is no amount included for that purpose. Possibly it may be in the suspense account. Until we get the full record to the end of the fiscal year I cannot give my hon. friend any worthwhile figures on that. The chances are the payments have been made in the last three months.

Mr. DIEFENBAKER: Can the minister not give an approximate figure as to the amount of subsidies paid on cordwood to date?

Mr. CHEVRIER: I put those figures on *Hansard* the other evening in answer to a question asked by the hon. member for York-Sunbury.

Mr. DIEFENBAKER: That was only the amount expended, not the amount for which the department is liable.

Mr. HOWE: I have it as of February 29, 1944, which is later than the figures I was giving my hon. friend. At that time the total subsidies paid amounted to $757,664.15 and the transportation subsidies amounted to $257,639.71.

Mr. DIEFENBAKER: I should like to get some information with regard to the cordwood situation, but I realize that the minister will not be able to give this offhand. I wish to know what quantity of wood has been purchased and delivered in each province since the commencement of the wood subsidy and the announcement of the policy by the minister. How much is on hand in each province and how much has been contracted for but is not yet delivered? Also, how much wood has been purchased in each province from wood dealers and is still on hand? I should like this information about the following types of wood:

Softwoods—	Hardwoods—
Jack pine	Hard maple
Poplar	Yellow birch
White birch	Oak
Soft maple	Beech

I want a statement as to the prices paid in each province for these different kinds of wood, what quantities have been sold by the government and at what prices. I should like a little further information in regard to the 75,000 cords of cordwood produced at the head of the lakes. How much is still on hand; how much was sold as pulpwood; to whom was it sold and at what price?

Mr. HOWE: I can give my hon. friend some information on that. The amount shipped to Winnipeg was 8,733 cords; the amount sold to pulpwood companies was 12,000 cords; the amount at present in storage at the lakehead is 40,000 cords, and the amount shipped east during the winter months was 14,267 cords.

Mr. DIEFENBAKER: Where was that shipped to?

Mr. HOWE: It was shipped to a number of points. I can in time give my hon. friend the freight rates and the selling prices, but it will take some little time to obtain the information.

Mr. DIEFENBAKER: I am not concerned with that at the moment. It was shipped to different points?

Mr. HOWE: To various points.

Mr. DIEFENBAKER: How far east?

Mr. HOWE: I think some was shipped to Toronto. Wherever there was a need that could be supplied more cheaply from Port Arthur than from any other point, it was shipped from Port Arthur.

Mr. STIRLING: Can the minister give me the information I asked for yesterday about the Granby company?

[Mr. Howe.]

Mr. HOWE: The hon. member asked for particulars of the $27,582.30 expended on the Granby Consolidated Mining and Smelting Company's plant. They are as follows:

Fine ore bin extension	$12,164 40
New fifteen-foot air compressor	5,192 72
Installation of 400-horsepower motor	3,339 15
Fine ore bin	1,252 09
Ball mill extension	1,027 28
Ball mill installation	4,606 66
	$27,582 30

The Canadian government has no financial interest in the production of the Granby mine. As my hon. friend knows, the ore is shipped to the United States, and is bought by the Metals Reserve Corporation. Canada was requested by the Metals Reserve Corporation to step up, at its expense, the production of ore by the Granby company. The Metals Reserve Corporation advanced $200,000 for that purpose. Expenditures were made to the extent indicated, but it was found that a shortage of labour prevented any real stepping up of output. When the expenditure noted was made the Reserve advised us that they wished the return of the unexpended balance of the money, and it was returned to them.

Mr. STIRLING: So that the $172,000 would not be spent?

Mr. HOWE: No.

Mr. STIRLING: Would the minister say even approximately at what date this arrangement was entered into? Was it in 1943?

Mr. HOWE: It was on February 3, 1944, that the Metals Reserve Company advised us that they wished the unexpended balance returned.

Mr. STIRLING: As recent as this February?

Mr. HOWE: That is when the expenditure was stopped. It was authorized on December 8, 1942.

Mr. HATFIELD: What are the regulations governing the export of wood from New Brunswick to the United States, and what is the quota basis?

Mr. HOWE: I could not say offhand. The export of fuel wood is by permit and is based on a proportion of the export of earlier years. I shall be glad to get the information for my hon. friend.

Mr. FRASER (Peterborough West): With regard to fuel wood which the municipalities buy, you allow them something for transporting the wood into the municipality, and are they also allowed the one dollar subsidy?

Mr. HOWE: Yes. Cities are classified as dealers if they are actually buying and selling wood. The wood is sold in the locality at the ceiling price there and is resold by the dealer at the retail ceiling price in the locality. We bonus the dealers to the extent of one dollar a cord to keep them in business.

Mr. FRASER (Peterborough West): You do not classify all the cities as dealers?

Mr. HOWE: Not unless they buy and sell wood.

Mr. FRASER (Peterborough West): They have to buy and sell?

Mr. HOWE: Yes.

Mr. FRASER (Peterborough West): And deliver themselves?

Mr. HOWE: Not necessarily.

Mr. GRAYDON: Is the recommendation of the war expenditures committee which was tabled on January 26 for a temporary subsidy on the production of malleable iron castings being acted on? Has any subsidy been paid?

Mr. HOWE: No. My hon. friend means for local production in Canada?

Mr. GRAYDON: Local production of agricultural implements.

Mr. HOWE: No; we do not bonus that. The obvious method of helping would be to increase the ceiling price.

Mr. GRAYDON: You have not done that?

Mr. HOWE: It is not in my department. I do not know.

Mr. FRASER (Peterborough West): The dollar subsidy on wood runs out in March?

Mr. HOWE: No. June 30.

Mr. FRASER (Peterborough West): Is it to be extended?

Mr. HOWE: I could not say.

Mr. FRASER (Peterborough West): Does the department buy back from the different municipalities wood that might be left on their hands?

Mr. HOWE: We undertook to do so, but we have had no request to do so.

Mr. FRASER (Peterborough West): It has to be done by a certain date?

Mr. HOWE: No. We undertook to buy back the wood after a certain date if requested to do so, but we have had no such request. I think any municipality that has wood will be glad to have it on hand for next year.

Mr. FRASER (Peterborough West): They have until May 31, 1944, to apply?

Mr. HOWE: Yes.

Mr. FRASER (Peterborough West): On what basis will you buy back the wood? At cost, or the ceiling price?

Mr. HOWE: I imagine at the same price as we sold it to them.

Mr. STIRLING: Certain financial assistance was given to coal mines in the Princeton area to assist in the production of coal in the four or five coal mines in that neighbourhood. Has the minister the details?

Mr. HOWE: Would my hon. friend say what colliery he is interested in?

Mr. STIRLING: There is the Princeton colliery, the Tulameen, the Nine Mile, and there is one other whose name I have forgotten at the moment. Has the minister not got them by localities?

Mr. HOWE: The total paid to Princeton Tulameen was $68,447.31.

Mr. STIRLING: Is that a finished figure, or is it continuing?

Mr. HOWE: All subsidy arrangements run out on March 31 and are subject to the new regulations I gave here. There has been paid to Telkoal total subsidies amounting to $23,135.60; to Merritt Coal Mines Limited, $5,323.40; to Tulameen Colliers Limited, $13,361.79; to Gething Mine, $3,323.45.

Mr. STIRLING: Is that based on the output?

Mr. HOWE: They are straight production subsidies, worked out to cover the cost of operation. It is an unsound basis.

Mr. STIRLING: It has no relation to the tonnage produced?

Mr. HOWE: No.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. HANSELL: Under this item I should like to refer to the announcement that the minister made yesterday with respect to the revised subsidy policy affecting the western domestic coal fields. I imagine that the outline he gave of subsidies is over and above the regular subsidies that are given for the movement of coal in Canada.

Mr. HOWE: Yes.

Mr. HANSELL: I am very happy to hear the minister say that, because I believe that in war time we have discovered that certain subsidies have to be paid in connection with the coal mining industry. With the announcement of these subsidies the minister also stated that the government will appoint a royal commission charged with the duty of studying all aspects of the production and distribution of coal in Canada and to report to the government with recommendations for such alterations of the pre-war coal policy as its findings may indicate to be necessary or desirable.

I have no objection to another coal commission being appointed to go into the various aspects of the coal mining industry, but I would point out that, as the minister is well aware, this is not the first commission that will have been appointed for work of this kind. If we look back over the history of the coal mining industry in Canada we shall discover that a good many coal commissions have been set up, and I cannot quite understand why it should be necessary now to set up another one. I am not opposing it, but I know that in the past commissions have studied every possible aspect of the coal mining industry. They have investigated and studied the matter of freight rates, the matter of subventions on coal, the matter of the various kinds and types of coal, and I believe the national research council has done considerable work along similar lines. I am tempted, therefore, to ask what action governments of the past have really taken as a result of these various commissions on coal.

Some action may have been taken, particularly with reference to subventions, but I suggest that there is no use in appointing commissions if the government is not going to be sincere in accepting their findings and bringing about, on the basis of those findings, such legislation as will benefit the coal mining industry and the consumers of coal, meaning, of course, everybody.

I said a moment ago that I was not going to oppose the setting up of another commission; but I cannot help feeling that, coming at this time as it does, this is nothing more or less than a political move on the part of the government in order to give the people of Canada the impression that it is going to do something in connection with the coal mining industry. I consider that that is all it is, because if the government wanted to do something it could take the findings of commissions in days gone by and upon those findings bring about a national coal policy.

That is something that Canada has never had. Not only have commissions worked on these matters in the past, but the coal mining industry itself has worked hard to put the industry over in Canada. I recall not so many years ago, since I became a member of parliament, that coal miners and coal operators in various sections of Alberta got together—and that is something, when operators and miners get together on a project—and attempted to form an organization for the purpose of securing markets for Alberta coal.

That was an admirable thing and they tried their best; but the coal situation in Canada being what it was, with various, shall I say, combines, their efforts amounted to very little. The only solution for the coal mining problem is that Canada should have Canadian markets for Canadian coal, notwithstanding anything that anyone might have said with reference to the type of coal that is mined in this country. I am confident that until Canada is reserved as the market for coal mined in Canada the national coal problem will not be solved.

I wish to ask the minister this question: In what way has the situation changed in Canada to necessitate the appointment of another commission? Is the coal situation any different from what it was before the war started? I do not believe it is. If the minister can enlighten us on it, well and good, but I do not think the situation has changed one bit. The war has done something to increase markets for Canadian coal because of the very high productive capacity of Canadian industry at this time; but as far as consumption of coal and employment in coal mines in Canada are concerned, would the minister tell us in what way the situation has changed; what the changes are, and whether the position is any different now from what it was in pre-war days? If he can tell us of the change, then we shall recognize the need for another commission. If he cannot, why not take the findings of past commissions and work on them? Once again I say, unless he can explain that to the committee I regard the setting up of this new commission as a political move to make the people of Canada feel that something is to be done in order to let them down as they have been let down many times before; and we shall still find the coal mining industry trying to get along on crutches. That is the position. I should like the minister to answer that question for us.

Mr. HOWE: The coal situation has changed materially in the course of the war. The principal change has been in the greatly increased cost of producing coal, which increased cost is general in our Canadian mines. The loss of skilled miners has had an effect, and other factors have entered into the situation, so that the markets which can be reached on a competitive basis are quite different to-day from the competitive position of before the

war. Before the war the mines in the maritime provinces shipped coal as far west as Toronto, Sudbury and the lake St. John area. The western limit for maritime coal to-day is about Rivière du Loup; and the maritime mines are hard put to supply the demands of their own provinces.

The western mines have been handicapped, not only by the increased cost of the product at the pit-head, but also by shortages of transportation, owing to the burden that has been put on the railways to move other high priority commodities. To keep the mines going to meet unusually heavy demands, a system of subsidies has been built up, on a more or less haphazard basis. We have been in the position of not wishing to allow any producing mine to close down, and, as costs have risen, we have tried to keep the mine open by paying whatever subsidy has been required. The recent mild winter has allowed us a breathing space to review the situation, and we are revising subsidies that are obviously out of line. We are studying subsidies for other cases which require considerable accounting and auditing, and further revisions of subsidies in those areas will be made. But having in mind the changes in marketing conditions, the change in economic areas for marketing, and the changes in the cost of production, the government believes that a commission is needed now more urgently than at any time in the past. I have every confidence that a commission that can study every aspect of the production and marketing of coal in Canada will bring down a report which will be helpful to the government in formulating a new coal policy for Canada.

While I am on my feet I shall give the hon. member for Comox-Alberni an answer to the question he asked. The new subsidy arrangement does not apply to mines on Vancouver island. Canadian Collieries on Vancouver island is on the old form of subsidy, which will not be changed until the present audit, which is now proceeding, is completed.

Mr. JOHNSTON (Bow River): The minister spoke of assistance by way of subsidies being given to coal mines that are finding it difficult to operate. Does he mean that the assistance was given to them by allowing them to increase the price of coal? Is that what he refers to, or is it a direct subsidy to the mine? The government allowed an increase in price to some of the mines that were finding it difficult to operate. Is that what the minister meant when he spoke of a subsidy?

Mr. HOWE: We have given considerable direct assistance to the mines either by way of subsidy, or by way of new equipment for expanding production.

Mr. JOHNSTON (Bow River): That was in addition to allowing them to increase their price?

Mr. HOWE: The increase in price resulted from one incident, namely, a strike at a critical time. The result of that was an increase in wages. That is compensated for by an increase in the price of the product being permitted.

Mr. JOHNSTON (Bow River): What is the amount of the subsidy paid on imported coal?

Mr. HOWE: I have been over that at least five times to-day, but I shall go over it once more. There is no subsidy paid on imported bituminous coal. A small subsidy, in the neighbourhood of twenty-five cents a ton, is paid on anthracite coal.

Mr. NICHOLSON: When item 3 was reached this afternoon I was in the railway and shipping committee. I wish to thank the minister and the committee for permitting me to discuss the question of Wartime Housing at this time. Each year since Wartime Housing was organized I have discussed the activities of this important crown company. I have made my critical remarks on the score that the cost per unit was excessive, that temporary houses were being built in centres where an acute shortage of permanent houses existed, and that slum areas were being created. However, my protestations were not successful in changing the government's policy. The building activities of Wartime Housing are coming to an end, and therefore I do not think any good purpose will be served by a further reiteration of the points I have made in previous years.

I should like to say, however, that I believe the people of Canada appreciate the fact that the federal government recognized that a serious shortage of housing in the early stages of the war was having an injurious effect on our war production. The people also appreciate the fact that living quarters provided by Wartime Housing were more satisfactory than other quarters available at comparable rents in the centres where Wartime Housing have carried on their activities. It is unfortunate that, after having spent over $70,000,000 and after having built over seventeen thousand units, the Department of Munitions and Supply is not making some plan to extend the activities of this corporation into the post-war period or making some plans to have some government agency prepared to go into the field of providing housing accommodation for people in the lower income brackets, people who cannot hope to find suitable living quarters provided by the private builder. In this country as

in every other country at least one-third of the families are not receiving in peace time and in war time an income sufficiently large to enable them to pay an economic rent. As a consequence, society must provide substantial sums of money every year to maintain slum areas. We pay for these areas in one way or another. At the present time in Canada we are paying to maintain our slum areas through excessive fire protection costs, excessive juvenile delinquency costs, excessive police protection costs, the excessive cost of hospital and medical services to care for people living in slums.

Just before Christmas I had the good fortune to visit a number of centres in the United States where the public authorities have embarked upon slum clearing projects. I understand that the general manager and president of Wartime Housing also visited some of these centres, and after I have finished I should like to hear something from the minister in regard to any reports he may have received from these gentlemen. The committee might be interested to hear something of the development in the city of Boston, for example. I understand that the minister was a student at M.I.T. a number of years ago, and possibly he will recall the very large slum area out in the Charlestown district. If you go to this area and drive down Bunker Hill you will find on one side of the street the century old slums that have been a disgrace to that country for so long, and on the other side a twenty-five acre plot where the slum dwellings have been levelled to the ground and modern fireproof apartment buildings erected, so designed that every family has sunlight at some time during the day. They have running water, frigidaire, heat and light, all supplied by the Boston housing authority, which is supported partly by federal funds and partly by funds of the city of Boston. The housing authority was required to build according to certain regulations, which stipulated that the cost of a housing unit should not exceed a specified amount. Consequently the units are more crowded than people accustomed to the wide open spaces of Canada might wish, but the remarkable thing is that living quarters have been provided at such reasonable rentals. A family enjoying an income of $750 a year can rent a modern four-room apartment for $15 a month, with light, heat and other services supplied. A larger family occupying a five-room house would pay $16 a month. If you had a larger income you would pay $24. The largest apartments, which have six rooms, rent for from $17 to $25 per month, and in all cases the rental includes light, heat and all other services. In addition to these very comfortable quarters, people living in the project have access to playgrounds so that children may be kept away from heavy traffic. In the summer time the children may use wading pools, and fountains play while they bask in the sunlight. In the fall of the year the boys play rugby on the project grounds. At three o'clock I found some of the children, whose parents were working in war industries, in a bright room under the supervision of a trained nurse. Three of the little tots were fast asleep on cots provided by the authority. At four o'clock I saw the children hurrying from school to the library, which is located in the basement of one of the buildings; in another room teen-age girls were being taught sewing, while in the community theatre the boys were rehearsing a minstrel show. It is true that the federal government provides a subsidy to bridge the difference between the rents paid by the people in the community and the cost of amortizing the entire project over a sixty-year period, at very low interest rates, but my information is that if the cost of maintaining those slum areas were taken into consideration the federal subsidy would be of very small proportions.

Near Washington there is another project that is of great interest. I refer to the Greenbelt community, twelve miles from the centre of Washington. Again federal funds were used to make it possible for people in the low income brackets to have up-to-date, convenient quarters at rents averaging not more than twenty per cent of their monthly income. Several thousand acres of farm land were purchased at a low cost and a modern community has been planned, with something over one thousand units to begin with; but recently the size of the project has been doubled. The housing units are situated around the rim of a horseshoe, in the form of a garden city, with underpasses under busy thoroughfares, which make it possible for the children to travel from home to school in safety. Shopping areas have been planned as part of the project, and the people living in the community have been allowed to operate their own cooperative stores in buildings erected with federal funds. It is true that the cost per unit in the Greenbelt area has been higher than in most other centres in the United States, but experimental work has been carried on there which will be of real value in the post-war period.

I appreciate that with Canada at war, the Minister of Munitions and Supply could not have been expected to build houses of the style of those in the Greenbelt area, but greater precaution might have been taken to see that the rows upon rows of houses erected in Canada should not have been built in areas

where there is a serious shortage of permanent houses, and where the tendency will be for these units to develop into slum areas. I do not see how this parliament can separate the work which has been done by Wartime Housing from the work which must be done very soon by some department of government to provide homes for those who are fighting for our freedom. It was originally planned that the houses built by Wartime Housing would be demolished within six months after the conclusion of the war. I should like to remind the committee that seventy thousand people are occupying these houses at the present time and that with very few exceptions, which would be in isolated places where war industries have been located, there is a serious shortage of houses in every centre. It just would not be practical to ask these seventy thousand people to move to the parks or on to the streets while their houses were being demolished in order that the terms of the contract might be fulfilled. It seems to me that now, when we are having layoffs in many industries, many of those who otherwise may be in the ranks of the unemployed should be able to find work in providing suitable housing in strategic centres of this country, as part of a national, provincial or federal plan.

Unfortunately governments in Canada have not had very much imagination in dealing with housing needs. In my province we had some experience in rural housing when hon. gentlemen to my right were in office a number of years ago. Several hundred families were reestablished in the northern part of Saskatchewan during the depression years, when a great many builders were out of work and Canada's construction programme was practically at a standstill. The most ambitious rural housing programme that the federal and provincial authorities could provide in those days called for an expenditure of $50 per unit. Of course the logs were available, free for the cutting; but all the hardware, windows, shingles and flooring had to be purchased with the $50. It does not require much imagination to visualize the type of quarters built for hundreds of families in Saskatchewan under the plan worked out jointly by the Bennett government in Ottawa and the Anderson government in Regina.

When I was home at Christmas I stayed in one of those $50 homes, located twenty-seven miles from the nearest railway station and the nearest doctor. The family living there had enjoyed prosperity in Saskatchewan some years ago. They had gone north in the early thirties when the drought and the depression made prospects in the south look very dull. While they are having more prosperous days now than they had when they first came in, they are still living in the $50 house. They do not know whether to go back to the prairies or whether to stay, in the hope that conditions may improve.

In Saskatchewan we had a change in government in 1934, and there was a change at Ottawa in 1935. More generous housing programmes were then introduced. The ceiling for rural housing was increased from $50 to $75. This increase did make possible a considerable improvement in living quarters. It meant that one could put shingles on the roof, instead of slabs from the nearest sawmill. But I hope that people in Canada will not be compelled to live in a country where $50 or even $75 houses are the order of the day.

I find that two valuable reports have recently been released in the United States, dealing with their immediate housing needs. One, by the C.I.O., is entitled "A Housing Programme for an Economy of Abundance." It points out that the primary responsibility for filling shelter needs of the people of the United States is a public one which must be met by government action. They call for 500,000 units of so-called public housing a year, and more if private housing fails to do its job. That is the whole question —whether private builders can make good their boast and be able to make good the housing needs of the country. If they cannot, public housing and cooperative housing will have to take that responsibility.

Further on in the report they say:

> In respect to shelter, such production levels call for a completely new orientation. The fundamental question will no longer be: What kind of housing can we afford? The issue before us will be: What kind of housing, within reason, do we desire? . . .
>
> The conditions of life which have dictated this attitude of submission to private interest and accidental circumstance no longer exist. It will shortly be within our power to determine for ourselves the nature of all the surroundings amid which we live our lives.

Then, Harry C. Bates, chairman of the housing committee of the American Federation of Labor presented before the house committee on public buildings and grounds in Washington on February 10, 1944, a most interesting brief. In it he says:

> Housing has long remained the most neglected part in the improvement of the American standard of living through either private or public action. Before the war we were too far behind in the volume of housing construction to even hope to catch up with the need in the near future. The war has set us back even farther.

Then he points out it was not until trade union leaders forced the issue that a national survey was carried out in 1940, to find out really what the housing situation was in the United States. They found that:

A dwelling either in need of major repairs or without a private toilet or private bath, was classed as substandard. If the American standard of living means anything, this test is certainly sound. The census showed that in 1940 in our town and cities alone there were over 6 million homes classed as substandard by this test. In addition, there were over 5 million non-farm homes in rural communities in this substandard condition. To top this we also had nearly 7 million farm dwellings which failed to measure up to this simple minimum standard. In the case of farm homes, even if we disregard the absence of sanitary facilities, 34 per cent or over 2½ million farm houses, were in unsafe and unlivable substandard condition.

We have not gone as far as they have in the United States. We have not compiled any accurate statistics showing the number of housing units built in Canada in the thirties. While some progress was made in connection with the 1941 census, there still is not available in Canada any satisfactory picture of the housing needs of the country.

However, I must congratulate the government upon making a start. I have not had a chance to look at the very large volume tabled to-day by the Prime Minister, but the table of contents suggests that it is at least a start. I find in the contents a reference to housing legislation in Canada, housing legislation in Great Britain and in the United States, urban housing, post-war housing needs, town planning, home ownership and related programmes, low rental housing, farm housing, reduction in housing costs, and so on. I hope that this report may be printed and made available to hon. members and those who are interested, as are other reports which have been tabled by the Prime Minister.

Mr. FRASER (Peterborough West): It is only a report.

Mr. NICHOLSON: I am glad the hon. member mentions it is just a report. It is on paper, and I think at this stage we should be much farther along than we apparently are, if any action is to be expected in time to meet serious trouble in the post-war period.

Before concluding, I should like to congratulate, as other hon. members have done, the Minister of Munitions and Supply upon the imaginative job he has done since taking over his portfolio. Only members of his department and members of parliament who have had an opportunity to travel from coast to coast and to visit some of the war industries have any adequate appreciation of what has been done in his department. But I would suggest that if the minister would like to make a permanent name for himself in the annals of Canadian history, he might do so by showing the same imagination in facing up to a housing programme for the years which are to come. He might be able to keep the present government in office, and he would find thousands of people across this country who, for the first time in a lifetime, would be able to say, "Well, at last we are able to have a decent house, thanks to C. D. Howe."

But this is not going to happen by accident. Unless the minister is going to make plans and spend funds in the same reckless fashion as has obtained in connection with the huge expenditures which have been made for war purposes, his munitions achievements will have been forgotten in a very few years. It is only natural that many people working in these industries see the local problems, and find it difficult to see the larger picture of Canada's production. They know something of the bottlenecks. They know something of the problems which develop when materials have not moved along in time, and when it seemed as though they were being paid for very little work. But I thing, if we look at their picture, we shall understand that and appreciate the difficulties experienced. Those who are working in these large industries will not remember very long the Minister of Munitions and Supply, who has provided leadership in this particular field. But if he could carry out the programme suggested by the Minister of Labour, that of having 100,000 houses built each year for the next ten years, he would have a million families in Canada in a ten-year period, or 100,000 a year who would be living in better quarters than ever before. I do not think there is a chance in the world to have such a programme carried out by private industry or by the machinery set up under national housing. I need only remind the committee that in the past under its activities our best performance was about 6,000 houses a year and a total of 25,000 houses for some eight years. Wartime Housing has built only 17,000 houses in two and a half years, or at the rate of less than 10,000 houses a year. How small this total is when compared with the figure of 100,000 houses used by the Minister of Labour.

I should like now to make some recommendations to the minister. A conference should be called immediately at which provincial, municipal and federal authorities could discuss housing problems exclusively. I think one of the mistakes that Wartime Housing made was to fail to recognize that under the British North America Act certain powers belong to the federal government, certain powers belong to the provincial government

and certain powers belong to the municipal government. No federal authority should ride roughshod over either the provincial or the municipal authority without due consultation.

My second recommendation is that plans be made for a complete revamping of the National Housing Act and reorganization of the national housing administration. When the government found it necessary to build houses to meet war-time needs, for some reason or another the staff at national housing administration headquarters were not satisfactory. That was a question of government policy. If the national housing administration staff were not sufficiently efficient in 1941, some policy should be laid down by the government for a reorganization which would make available a satisfactory administration.

A research staff should be set up to go into the different aspects of housing and find out whether home ownership is the only method that should be adopted. They should find out whether there is not a place for low rent houses and they should do some work on town planning. Consideration should be given to the improvement of rural housing, for of all our houses in Canada those which cry out most loudly for improvement are our farm homes. Plans should be made for the extension of the home improvement plan and research should be carried on in building designs. A recent number of *Engineering and Contract Record* contains an article in connection with increasing the efficiency of the construction industry. Men in the construction industry are seriously considering new techniques that must be used if Canada is to keep pace with modern trends and modern requirements. They suggest that research should be carried on for the manufacturer with a view to (a) Eliminating duplication in stock sizes; (b) A solution for the problem of standardization which various industries manufacturing building supplies are trying to solve individually; (c) A stimulated demand for stock sizes in preference to special sizes, as a result of their more convenient and economical field erection; (d) Lower costs of manufacturing against stock as compared with the custom manufacture of special sizes and details; (e) Improved precision and uniformity of quality that result from improved manufacturing processes; (f) A market for standardized building materials where the cost of special detailing or field cutting would be prohibitive; (g) Standard assembly details which would help the manufacturer to control the installation of his products and thus avoid complaints that arise from faulty workmanship. Research is suggested also for the architect and the builder and contractor as well as for the consumer.

If the cost of housing can be reduced, more houses will be built and more contented Canadians will be living in them. I notice the national housing administration and the code and specifications section of the national research council have put out an interesting book on the national building code. However, it seems rather difficult to secure a copy of this book. This is one of the few instances where I have asked for a copy of a publication and been requested to state whether it is for myself. That is a most unusual question to be asked by any government authority issuing a publication. Publications like this should be supplied to members of parliament as a matter of course.

Could the minister make some statement as to what the plans are at this stage with regard to disposing of the 17,000 houses built by Wartime Housing? Could he give a report to the committee in connection with the findings of the president and general manager of public housing in the United States? Has any consideration been given to retaining the staff of Wartime Housing with a view to having them engage in the type of research I have outlined?

Mr. HOWE: My interest in housing is confined to Wartime Housing, which programme has been largely completed. It has been the duty of this deparment to find housing for employees in war industries, in order to make sure that war industries can operate efficiently. The government as a whole is greatly absorbed in the matter of a post-war housing. Other departments are conducting studies of the type referred to by my hon. friend. I do not know that the complete post-war programme of the government can be announced, but I think I am safe in saying that the housing of Canadian citizens will have an important part in that programme.

My hon. friend asked what our plans are for the disposing of war-time houses after the war. Our agreement with practically every municipality in which wartime houses have been built provides that at the end of the war, the houses will be dismantled and moved away. I am not sure just what will be done when that day comes. These are quite comfortable houses, and I imagine that the eventual disposal will be to put good basements under them, install heating plants and regard them as permanent houses. However, that will be up to each individual municipality. The government will be prepared to carry out its agreement if the municipality so

desires. With that uncertainty, it would be quite improper for me to discuss any disposition of the houses, other than to carry out the agreements which stipulate that the houses will be removed at the end of the war.

Mr. NICHOLSON: I understand from the minister that the programme of Wartime Housing is almost completed, and I should like to know if he is retaining the staff and, if so, what type of work he has in mind for them to do from now on?

Mr. HOWE: The staff of Wartime Housing has been reduced, to some extent. This has not been done deliberately; the reduction has taken place in this staff as in all staffs which are not being expanded. My hon. friend will understand that there is a considerable administration work involved in operating our housing projects. Studies have been made in the past, along the lines suggested by my hon. friend, and these will be made available to whatever department assumes responsibility for the post-war programme. I have no doubt that a number of the staff of Wartime Housing will be needed by the department which takes this programme in hand. In my opinion the staff of Wartime Housing has been most efficient, and has used excellent judgment in its operations. Personally I would be sorry if the talents of that organization are not used to the fullest extent.

Mr. GRAYDON: The minister has referred to the possible cessation of the activities of Wartime Housing. Will this apply to Malton, for instance, where staff houses are to be erected in connection with the influx of further employees in the Victory aircraft plant?

Mr. HOWE: My hon. friend will have noticed that we put in an additional one million dollar appropriation. When I said that the programme had ended, I did not mean a sharp cut-off. We have a small provision for new facilities that may be required, and Malton is a place where new facilities may be required. We have a programme there which will be going on for some time. The need for housing reaches somewhat beyond the local situation. If the employees are housed in Toronto, and are moved to Malton by rail, we shall not require additional facilities at Malton; but if we move in new employees from a distance, requiring additional housing there, housing will be built.

Mr. GREEN: I realize that the minister is not responsible for the administration of the national housing act, and that his department is not responsible for the administration of the home improvement loan plan. But is it not a fact that restrictions on building materials come under the Department of Munitions and Supply?

Mr. HOWE: Yes.

Mr. GREEN: I believe that a little less than a year ago the department placed restrictions on the building of homes, making it practically impossible at that time to get the materials required for home building. More recently some change has been made in those restrictions, presumably as supplies became available. Could the minister tell the committee this evening just what the present position is with regard to the availability of supplies and equipment for building homes in Canada? Then we shall have a better idea of what can be done now in the way of starting to rehouse the Canadian people. I urge upon the minister that he review these restrictions again to see whether it would not be possible to relax or wipe out altogether some of these restrictions. If that were done, private contractors would greatly increase the number of homes built, and many of our people would be given some place to live. The minister realizes, I suppose, just as well as the rest of the hon. members do, that the present housing situation is very difficult. People are living in garrets, garages and basements, and whole families are living in one room. This must have an effect on the war effort because it lowers the morale of our people, and I am sure it is seriously injuring the health of the Canadian people as a whole. In addition, it would be very difficult under present conditions to reestablish the men who come back from the war. I would be the last one to urge any action that would interfere with the war effort, but surely the time has now come when we should start on a deliberate campaign to rehouse the Canadian people. It would be well worth while. In some centres—I know it is the case in Vancouver, here in Ottawa and certainly in Halifax—the positon is almost impossible. Some consideration might be given to declaring certain areas emergency areas and allowing special housing provisions to be made applicable there. Would the minister tell us the present position with regard to the restrictions on the materials and equipment needed for the building of homes?

Mr. HOWE: The policy of the department has been to encourage the building of small homes to the full extent that the materials situation would permit. Even in the days of greatest scarcity, the department has recognized emergent situations in particular localities and has diverted available supplies of materials to those areas in preference to less urgent areas. The shortages to-day are

more particularly bathroom fittings, and certain other essential components of a modern home. The supply situation has eased to a point that permitted us in January to relax the restrictions and increase the size of home that could be built without a permit. I think we have been able to supply the necessary materials for the homes that have been built, and as the supply of materials permits there will be a further relaxation of the restrictions. We are just as anxious as my hon. friend to encourage the building of small homes as rapidly as possible, and the only purpose of the regulations to-day is to distribute the available supplies fairly.

Mr. GREEN: That is, permanent small homes?

Mr. HOWE: Yes. We do not wish to encourage the undertaking of home building that cannot be carried out for lack of materials. That is not helpful to anyone. I can assure my hon. friend that we shall take steps to encourage home building just as soon as we can increase the supply of materials.

Mr. GREEN: Would it be possible to arrange for some factories in Canada to step up the production of bathroom fittings and other materials in short supply, just as was done with certain urgently required war materials?

Mr. HOWE: As my hon. friend knows, the factories that make bathroom supplies also make shipbuilding components. We can hardly divert effort away from the war to undertake peacetime requirements. It seems reasonable to ask our people to undergo discomfort for a little longer, in order that the war programme may not be dislocated. My hon. friend also knows that the man-power situation is still difficult in most areas. We do not wish any large diversion of man-power to the building of homes. But the house building is enlarging each month and will continue to do so.

Mr. GREEN: Is there any intention of extending the provisions of the National Housing Act so that ninety per cent instead of the present eighty per cent can be borrowed from the government for the building of a home? Is there any prospect of having the interest rate on the loans reduced?

Mr. HOWE: I understand that a new national housing act will be brought down this session, and I would prefer my hon. friend to obtain the information when the bill is brought down.

Mr. LACOMBE: Mr. Chairman, I would draw the attention of the government and of parliament to a grievance of a serious nature. I refer to the disastrous situation falling upon the producers of maple syrup and maple sugar caused by the new regulations of the wartime prices and trade board.

The rationing of these products and the necessity for the producer to request coupons from consumers means that the producer either cannot develop his sugar bush or can sell only a very small portion of his products.

On March 13 last, the Minister of Trade and Commerce, in asnwering questions I put on the orders of the day, stated that Canada exported during 1943 only 3,959,647 pounds of maple sugar and 181,596 gallons of maple syrup. Why, then, ration these products in Canada? There is no reason for doing so. Therefore I request the government to redress immediately this unfortunate state of affairs caused by the rationing of maple products both for the producers and for the consumers.

(Translation): There is another matter with which I desire to deal briefly. It is the necessity of sending back to the farm all farmers at present in the army. If the army and the civilian population are to obtain necessary supplies. it is imperative to take such a step.

Agriculture is deprived of more than 600,000 workers, male and female. These persons were absorbed by the army and by war industries. However, the government continues to call up farmers' sons for training. Even when they have been granted deferments, they must undergo another medical examination which is given the ridiculous name of "revision." When will the authorities realize that more than ever agriculture needs all available help? Why did they not leave the medical examinations of called-up men to the family physician, as was formerly the case? No matter how well qualified he may be, a medical officer can never replace the family physician who is well acquainted with the personal history of the men who are called up. Thus, the government causes a heavy loss of time to agriculture and to over-burdened farmers. Must I once more point out to the government that agriculture is in urgent need of help and that it would be preferable to return to civilian life all the farmers now in the army? This would be one of the best ways to avoid the numberless pitfalls of the post-war period. In the course of the transition period, for which we should prepare immediately, agriculture must play a major part in the world's economic reestablishment. Losing sight of these facts would constitute a fatal mistake. Let us now return to the land those farmers who have been forced to forsake it on account of the war.

Mr. Chairman, before closing my remarks, I shall quote an extract from *Hansard* of March 30, 1939. In it the Right Hon. Prime Minister (Mr. Mackenzie King) opposes Canadian participation in the war. Let us not forget, that he made this speech only five months before his government assumed a share in the world conflict and before they bought two destroyers from Great Britain. Here are the words of the head of the present government, on this occasion, as reported on page 2426 of *Hansard* for 1939:

One strategic fact is clear: the days of great expeditionary forces of infantry crossing the ocean are not likely to recur. Two years ago, I expressed in this house the view that it was extremely doubtful if any of the British dominions would ever send another expeditionary force to Europe.

He had previously said, as may be seen on page 2419:

We have tremendous tasks to do at home, in housing the people, in caring for the aged and helpless, in relieving drought and unemployment, in building roads, in meeting our heavy burden of debt. . . .

At that time it stood at one and a half billion dollars.

. . . in making provision for Canada's defence, and in bringing our standards of living and civilization to the levels our knowledge now makes possible.

Mr. Chairman, was there, at that time, a single hon. member who did not realize that the increased military estimates were being voted not only to ensure the defence of Canada but also with a view to participating in foreign wars I repeated that statement time and again, at that period. The right hon. Prime Minister added:

There is no great margin of realizable wealth for this purpose; we must, to a greater or less extent, choose between keeping our own house in order and trying to save Europe and Asia.

How can one reconcile such a solemn statement uttered by the Prime Minister with the actions by which he followed it a few weeks later? For my part, I have kept faith with the word I had pledged. I have long since withdrawn from that atmosphere strewn with falsehood.

Let him who laughs interrupt me and ask me a single question on the position I have taken. Does the hon. member for Sherbrooke (Mr. Gingues) wish to do so? Let him go ahead!

Mr. GINGUES (Translation): All in good time.

Mr. LACOMBE (Translation): Do those who, on September 9, 1939, did not lift a finger in support of my amendment against participation in war, feel satisfied now with their doings?

[Mr. Lacombe.]

At this stage of my remarks I must recognize the Canadian spirit, the loyalty and the honesty of the hon. member for Quebec-Montmorency (Mr. LaCroix), who alone supported me. Is any satisfaction felt by our colleagues who voted for the mobilization act on June 19, 1940, overwhelming my amendment by a vote of 202 against 2? On that occasion the hon. member for Quebec-Montmorency was again alone in supporting me. Do our colleagues derive any satisfaction from what they have done?

I am blaming neither the government supporters in this house nor the opposition, but I do blame the hypocritical members who denied us their support and who divided us on that question. I have more compliments to offer to the government supporters than to the opposition. I remind those members that they protected, in their own way, our young men and our farmers, by mobilizing and conscripting them. They are now protesting against a dreadful situation which they have themselves brought about, of their own free will and wittingly. The time will soon come, Mr. Chairman, when we shall let the people know about the devious and knavish stand of the false prophets of the day. The people do not know them yet. We will put them in the limelight. My first duty is to denounce the would-be patriots who have left nothing undone in order to foment disunion among true Canadians, especially in the province of Quebec—as was pointed out by the right hon. the prime minister—not only some time ago but during the last few sessions. Divide and govern, such was their only goal. They care not a whit about disinterestedness, and sincerity is with them a lacking virtue. Their patriotism is limited to fine speeches broadcast over the air lanes. Open at random the debates of the house and you will be amazed at the unmatched hypocrisy of these elected representatives who are responsible for the distressing situation which prevails in agriculture and all over civilian industry in Canada. To all these sham patriots, I prefer a man sincere, honest and true who faces his opponent squarely and strives against policies he cannot countenance.

Mr. ROSS (St. Paul's): As I said last year, the housing situation in Toronto is still bad. If any more people come to the city we shall have to have war-time housing. Toronto has never had any war-time housing. The only thing we have had is some money to convert a few apartments. I am glad to

hear that the government are going to bring in some measures so that houses can be erected after the war. The situation in some parts of Toronto is far worse than the minister realizes. In certain slum districts we have families of five or six living in one room. The by-laws of the city cannot be enforced, because, if they were, there is no place to which these people could go. I do not know what is going to happen. I imagine, as time goes on, there will be relief to a certain extent. Certainly the situation that exists to-day should not be allowed to continue. When I brought the conditions to the minister's attention last year he said he did not understand why he should have to do anything about housing in the city of Toronto. On the other hand, he has done something about housing in other cities.

Mr. FRASER (Peterborough West): Last year Wartime Housing gave prizes for beautification of homes and victory gardens. I hope the minister will see to it that prizes are given again this year for similar work, because it certainly improved the houses. I know it helped a great deal in the districts around Peterborough. Instead of the homes being allowed to remain in a plain condition, they were really beautiful. Some of the people worked very hard on their homes. The prizes that were given were worth while and the people who received them certainly earned them. They were wonderful prizes and the homes were very much improved. I hope the minister will look after this during the present year.

Item agreed to.

7. Departmental administration, $9,000,000.

Mr. GREEN: On March 2, an answer was brought down to a question asked by the hon. member for New Westminster. It will be found at page 1080 of *Hansard*. It shows the number of gasoline ration cards issued in the different provinces. In British Columbia the ratio of AA, A and B is ten, two and one respectively. There is no other province in which the percentage of AA licences is anything as high. In fact, in two provinces, Alberta and Prince Edward Island, there are more A ration cards than AA. The percentage in British Columbia seems to be entirely out of line. I presume the reason for that is that we have a very tough deputy oil controller in that province. That may or may not be the explanation. Can the minister tell us whether there is any other reason why there should be such a very large percentage of AA ration cards in British Columbia.

Mr. HOWE: I think the percentage of farmers in the province would have some bearing on the situation. The categories of farmers are more generous, because the farmers use their automobiles for business purposes to a greater extent than do ordinary city dwellers. That may be the explanation. I know it is the intention of the oil controller to administer the regulations equitably as between all parts of Canada.

Mr. GREEN: Would the minister mind checking that up?

Mr. HOWE: Yes; I shall be glad to look into it.

Mr. FRASER (Peterborough West): What is meant by "revolving funds"?

Mr. HOWE: Those are funds made available to the department to enable it to carry on the day to day operations; to provide funds for payrolls and manufacturing expenses until these can be billed out to the buyers. Revolving funds are the equivalent of the working capital of a private business, covering all the operations of the department.

Item agreed to.

DEPARTMENT OF TRANSPORT

Air services branch—

3. Civil aviation: operation and maintenance of municipal (terminal) airports, $398,260.

Mr. HOWE: I think we had passed the first sub-item of item 3 and were on the second sub-item, dealing with the operation and maintenance of municipal airports.

Mr. DIEFENBAKER: This evening I intend to refer to the address of the minister on March 17 in connection with the subject of post-war aviation. The minister's speech unfolded a pattern and formula for international control, coupled with a draft international convention, timely because the questions raised are in a state of flux at this time and also because nations all over the world are formulating conventions and making plans for the post-war solution of this great problem.

In its domestic as in its international aspects the enunciation of policy was made by the minister without benefit of discussion in parliament. I make that statement without any wish to enter into a political discussion, for I believe that a debate on this important matter should be free of any partisan considerations, and that discussion should be constructively designed to advance the cause of post-war aviation. The minister properly referred to the history of civil aviation and sketched something of the progress of the past few years in connection with the development of

airways, for without a knowledge of the past and of the incidents that have occurred since the last war this subject becomes even more difficult of comprehension.

As I see it, the problem divides itself into three classes or aspects, namely the international and, within the international, our relationship to the United States of America; second, the interempire or commonwealth relationship, and, finally, the domestic relationship. To-day we find ourselves, as does the world, on the threshold of a great evolutionary change in world commerce. A third dimension has been established in world travel; hours, not miles, are now the measure of distance. The result is that isolationism and the sense of security that was based on oceanic barriers are to-day as dead as belief in the invulnerability of the Chinese wall. This is a tremendous problem. As far as I am concerned I have not had the advantage of the help of technicians in carrying on research, but I found the discussion by the minister most interesting and most complete, and I must pay my compliments to those who assisted him in the preparation of the draft convention. Air transport has no antiquity; only the future can tell the degree and extent of its impact upon civilization. To base a policy now on prophecy is out of the question. We must face the problems as we see them to-day, as they are now; and in evolving a policy provision must be made for changes and developments as they may become necessary.

One general criticism I offer as to the policy announced by the minister is that it is too inflexible, rigid and uncompromising to meet the needs of a problem as comprehensive and changing as the air problem. There are some matters upon which there is general agreement as, for instance, Canada's strategic position in the routing of international traffic west to the orient, east to the continent of Europe and north to Europe and Asia. While this factor may be too greatly emphasized, on the other hand I take it that hon. members on all sides of this house are now in agreement that Canada must not allow herself to become in the modern world what Asia Minor was in past ages, an area to be crossed over by other nations or, in the present era, an area to be flown over. I believe we all agree that an international set-up controlling aviation is indicated as the only solution of this problem in its broad aspects. Every country has its own particular problems. Every country has its political, military and economic interests in air transport, for all recognize to-day that while planes carry passengers they also carry bombs. After the last war, in spite of the many conferences that took place, nations refused to accept the principles of freedom of transit and international control, with the result that air development was obstructed internationally. Competition in Europe was between France, the Netherlands and Germany; in the east it was between Britain, France and the Netherlands, while in South America Germany achieved a wide measure of control. Prior to this war the attitude of most nations was that air lines were arteries of national policy and empire, and all nations, in their own interests and in the interests of their defence, claimed ownership of the air above their territories. Commercial planes of all nations were denied the right to pass over or land in foreign countries, even for rest, refuge or refueling, except by agreement. The right to take on or discharge passengers or traffic was a matter of national policy. The attitude of the nations in this way was that national exclusion rather than international cooperation prevailed, and that deterred development of the airways between 1919 and 1939. All plane companies in Europe were controlled by the state, directly or indirectly, and air transport was a phase of national development. In the United States private ownership was encouraged to develop airways, and at the outbreak of the war no country in the world had a civil system of air transport in excess of that developed in the United States.

I am not going into details of the various routes which were established by nations in Europe and beyond. Suffice it to say this, that restrictions were universal, because nations feared the destructiveness of air power rather than the benefits to mankind in its extension. For example, the United States refused rights to foreign airways to fly over Hawaii. In a route of one thousand miles from Lisbon to Warsaw, there were four changes of planes. United States planes had to discharge their passengers in Ireland en route to Britain, and take other planes to complete their journey to their destination. The fear of bombs, the distrust between nations, and nationalistic policies designed to deny international control, built up an international philosophy of non-cooperation and restriction.

Possible disagreements between nations and the necessity for air transport being made available everywhere in the world make international control desirable and necessary; for history teaches that if aviation is to be nationally controlled on a narrow basis, the seeds of a future war to secure freedom of transit or freedom of the air will have been planted.

Aviation, properly controlled, can be made mankind's handmaiden for peace; uncontrolled, it will remain a potential destroyer of mankind.

I think no better summary of the matter can be found than in a recent book, "The Air Future", in which the author, Burnet Hershey, said this:

> The important thing to remember about aviation is its universal character. It can be destructively annihilating or almost superhumanly beneficent; but it can never be subjected to localized restriction. To aviation political boundaries are obsolete absurdities. Above the clouds the earth itself is out of sight, and at 400 miles an hour the crossing of an imaginary line drawn arbitrarily across an invisible planet far beneath, is of less consequence to pilot and passenger than the blowing of the wind and the direction of the wind.

The difference between freedom of the air and freedom of transit is that between licence and liberty. The war's outcome is even now being determined by the superiority of air power, and I believe that air transport after the war may well determine the future of mankind. I agree with the minister's viewpoint that international freedom, rather than selfish national aspirations, must be the foundation stone upon which a new world order will be built. In enunciating an international air policy at this time Canada has assured the world that, as far as she is concerned, located on the airways of the world, occupying a position unequalled in those airways, she intends not to allow herself to become a national instrument for international rivalry, but means to devote herself to the principles of peace, through international action. To this end there will have to be international recognition by all nations, and there is the inescapable fact that the experience in the twentieth century is that no nation can live unto itself alone while desirous of trading by air with other nations.

That brings me to a principle which is rather difficult to understand, namely the doctrine of freedom of transit or freedom of innocent passage, sometimes mistakenly called freedom of the air. Britain calls it the open sky, as distinguished from the sovereignty of air policy, the closed sky policy. Freedom of the air denies international control, when freedom of the air is used in its wider sense. It means that the atmosphere is open to the planes of all nations without control. What that would mean is again set out in the same book to which I referred a moment ago, in these words:

> In essence freedom of the air means exactly the same thing as freedom of the road, the free right of the driver of any motor vehicle to use any road anywhere on earth without buying any licence, taking any operator's examination, or otherwise submitting to any regulation in the interest of public safety. Such a state of anarchy applied to surface transportation is obviously absurd. It is even more ridiculous when carried to the skies.

Much discussion has taken place on this principle, and it seems now generally agreed that freedom of the right of transit should be recognized by all nations, great and small, but that the right of foreign nations to take on cargoes and passengers must remain a matter of agreement between nations affected. Those who desire freedom of the air at once must remember that it took more than 350 years to establish the somewhat correlative doctrine of freedom of the seas. The adoption of freedom of the air to-day, in its widest sense, would in my opinion destroy Canada's chance of participation on a world basis, in international airways. Canada would be put in competition with subsidized airways of countries operating national routes. I should like to ask the minister what provision is made in the convention, and what his ideas are in connection with the matter of preventing or at least controlling subsidization by nations of the air routes which are set up. Freedom of the air is impossible, if national safety is to be considered. On the other hand, the closed sky policy is not open to Canada to adopt, because of the danger to international peace that such a policy would result in. The intermediate principle of freedom of transit would appear to be the solution.

The minister, in speaking the other day, used these words at page 1579 of *Hansard*:

> Each nation should at least possess the right to carry passengers and cargo from its own territory to other countries, and to bring back from those other countries passengers and cargo which are intended for its own territory.

With that view I disagree for, in my opinion, it is altogether too wide in its scope. The adoption of this principle would destroy the possibility of the Canadian air industry drawing a fair share of cross-frontier traffic. Take our position during the past few years, when we have had an equality with the United States of America on trans-frontier routes. Yet to-day we operate but one route, compared with eight operated by the United States of America into Canada. Experience in the operation of the airways during recent years between these two countries denies the application of the principle enunciated by the minister respecting our relations with the United States of America.

I believe that the principle of an international air transport authority rather than an international air transport system represents the viewpoint of the people of this nation, as

of other nations. But I see objection in supersovereignty being set up under powers contained in the draft convention. I refer to article 7 section 1, wherein the authority of the super-body to control activities within the nations making up the international set-up is provided for. Is there to be internationalism or trusteeship in connection with our strategic bases? Does the government favour supersovereignty of a united nations' government such as is advocated by Governor Stassen to administer the international airports and airways of the world?

When the hon. member for Winnipeg North Centre (Mr. Knowles) was dealing with this question the other day, apparently he did not take the same view as do the labour party groups in Great Britain where their policy is that they will support an internationally owned and operated air transport company for the whole world or, if that is not possible, for Europe. The principles enunciated by the labour party in Great Britain apparently are not being accepted by my hon. friends in so far as this country is concerned.

In connection with international control I ask the minister: Have all the major nations within the United nations agreed to participate in an international set-up? If not, which ones have been consulted and have any refused? Who are the eight nations referred to in the convention? What is the attitude of the U.S.S.R.? Have they been consulted and have they subscribed to the principles? It must be remembered that the U.S.S.R. do not require freedom of transit in order to fly directly from their own country to adjoining countries such as China, Japan, Iran, Turkey, Roumania, Poland, the Scandinavian countries, the United States and Canada. Before any international organization on air can be brought into being, there must be cooperation on the part of the U.S.S.R. in order to ensure its success. If there is to be set up a world system of aviation with international control, and if we are to ensure that the sacrifices of this generation shall not be repeated in another generation, that international control must have within its confines the U.S.S.R. After the last war Russia did not participate in the international convention in 1919 in connection with aviation. China was denied the opportunity to become a party.

If international agreements are to be effective, they must be secured now. Otherwise there will be terrible competition after the war. To-day some sixteen United States companies are seeking international transoceanic licences. Recognizing the seriousness of the situation potentially, a joint committee of the Association of British Chambers of Commerce, the Federation of British Industries and the London Chamber of Commerce have asked, in order to prevent unbridled competition which will sow the seeds of future war, that a unified air policy should be effected with each country having a fair allotment of planes.

As I read the minister's speech; as I looked over the convention, one thing that stood out more saliently than any other was the fact that no reference has been made to the British empire or the British commonwealth of nations within the international set-up. I do not know whether article X, providing as it does for pooling, is intended to cover possible agreements between various parts of the British empire. The minister was a representative at the Beaverbrook conference in October, 1943, and yet to this date Canada has had no report as to the decisions arrived at or the principles adopted.

Does the convention, which is to be found in *Hansard* of March 17, represent the consensus of agreement of the nations of this empire? If it does, it is not so indicated by a reading of the press of the United Kingdom. I ask the minister to explain whether the government, in adopting the policy that she has, in placing this convention before the country, is taking a position in keeping with or adverse to that taken at the conference by other parts of this empire? What about international transoceanic routes? Nowhere is there any reference by the minister to the means whereby Canada intends to operate a national transoceanic system of airways.

Is she going to do it by herself? Is she going to do it in cooperation with other nations? Is she going to embrace the world? Is she going to do it within the empire? All we know is that the chosen instrument is the TCA. Other than that we have no information as to the plans of the government in that connection. General Critchley, president of the British Overseas Airways Corporation, stated recently that as far as his corporation is concerned, it no longer wants to be the chosen instrument. I think this committee and this country have a right to know why Canada is going to adopt the chosen instrument policy internationally when Great Britain and the United States are apparently not accepting that principle.

If the chosen instrument of international transoceanic routes is followed by Canada, it will mean that Canadian companies desirous of operating internationally will have to join with British steamship companies under British registry, will have to go to the United States and incorporate there and act under the national control of that country, or go to other countries such as Luxembourg, Panama

or Mexico in order to have an opportunity to operate Canadian aircraft in all parts of the world. I do not think Canada as a nation wants to see Canadians except as Canadians in the international field. I believe we have the right to demand that, as Canadians, having regard to the status that our nation enjoys. Under the scheme as it is now planned internationally, we should see to it that Canadians can fly Canadian machines without the necessity of operating under the auspices of other countries, and thus be able to take their place in the post-war air transport world.

I ask the minister to give us the picture of what he anticipates Canada's contribution will be to the international field when the war is over. Doctor George Weir recently said that twenty-five thousand airmen would be employed in civil aviation after the war. How that can be brought about, I do not know. To-day, even with the increased traffic of war time, TCA and Canadian Pacific Air Lines together in the domestic field do not employ more than 3,000 men.

Mr. HOWE: Oh, oh.

Mr. DIEFENBAKER: Those are the figures given the other day. What numbers do the government experts believe will be employed in the international field during the first few years? These figures must be in the possession of the government and should be made available. I unhesitatingly accept the principle of an international set-up, but I suggest that further discussion should take place in order that matters like super-sovereignty and the like may be resolved, so that they will meet with the approval of our people and of other nationals composing the international set-up.

What is the alternative? If the great nations do not enter this scheme, aye, if they do not accept this convention, what is the alternative? Unless the U.S.S.R. accepts it, I ask, what is the alternative? We are informed that for a period of from four to five or ten years after the war there will be no peace conference. What will the international set-up be at that time? Is there to be uncontrolled competition in the airways of the world during that period? During that period international transport will be developed, and unless Canada and the British commonwealth have their share of the business then a setback will be suffered from which there will be small hope of recovery. I ask the minister this: Has consideration been given to the setting up of an empire organization to operate during the period prior to the peace conference, and after the peace conference as supplementary to and within the aegis of and under the control of an international world organization? Has consideration been given to an empire and commonwealth scheme? Is there any reason why an empire scheme should not be constituted to operate within the framework of and without prejudice to the acceptance of the principle of an international authority and international control? I may be told that sixteen international set-ups under the draft convention will come into effect immediately the war ends. Not according to my reading of the convention, for article IX, section 1, shows clearly that the convention is entirely dependent and is predicated upon the setting up of a world security plan under which it would operate. What, I ask, is to be done in connection with world and empire airways during the cooling off period before the setting up of the international security organization?

As to the empire and the commonwealth I ask this: Are not our relationships bound up in our decision in this regard? I ask again, why is there no reference to the British commonwealth or empire? I believe this, that the empire must be kept strongly united not only in its own interests but in the interests of world peace, and that can be effected now only through the instrumentality of air transport.

In May, 1937, the imperial conference of that year recommended earth-embracing air services within the empire. I believe that the strength and the predominance for good of the empire in the after-the-war period will be in direct proportion to the vitality, vigour and imagination that is displayed in civil aviation. All of us believe in closer communications. The British commonwealth, in the interests of survival, must have parity with the other great nations. She cannot have that parity unless the dominions and all parts of the empire work together. Has any arrangement been made for the post-war pooling of transports with the United States, which produces the greatest majority of the transports being produced? There is no threat against any nation in empire air cooperation, least of all against the United States, with which we must live in the closest cooperation. Our hopes and our ideals demand it. The people of the United States admit with us that the future of world peace depends in large measure upon the cooperation of the English-speaking world.

Our air policy is inextricably bound up with our foreign policy. It depends upon our foreign policy. It depends also upon the degree of our desire for a closer relationship with other parts of the empire.

This matter was discussed in the British house, and Captain Harold Balfour, joint under-secretary of state for air, used these words with regard to foreign policy which, I think, are applicable to-day. He said:

> Our traditional foreign policy has been based on sea power, the possession of naval bases, and the protection of our sea commerce; now post-war minds will have to think in a new dimension. When directing our foreign policy we shall have to incorporate into it the knowledge that we must preserve civil air communications for the benefit of ourselves in particular and humanity in general.

On March 15, 1944, Sir Archibald Sinclair made this statement in the British House of Commons with reference to post-war air policy:

> Britain and the dominions had reached a broad measure of agreement.

We have a right to know the measure of that agreement, circumscribed by only one consideration, the safety of the state. If there is an agreement, why should our representatives not speak at once and give us the agreement in so far as it can be revealed? I ask the minister, as Canada's representative at the Beaverbrook conference, to tell this country whether or not an empire air scheme was proposed at the conference and whether or not it was accepted or refused by Britain, New Zealand, Australia and South Africa? In my opinion the British commonwealth air training scheme, bringing together as it does in Canada representatives of all parts of this empire, fits exactly into the picture of an empire transport system, operating again, I repeat, within the control of an international body, and leaving to each of the component parts of the empire the right to determine its relationships with reference to neighbours whose territories are contiguous.

In the convention, reference was made to the fact that while this international body shall have wide and comprehensive powers, it shall not have the right to dictate as between contiguous powers, mentioning specifically as an example the United States and Canada.

I think our post-war transport policy is important in that it cannot be dissociated from the trade policy of the various self-governing dominions and other parts of this empire; it cannot be dissociated from an empire policy, and it cannot be dissociated from the question of empire defence.

How should we go about it? I suggest that consideration be given to the setting up of a commonwealth air board, having as members the United Kingdom, the self-governing dominions and the empire of India. There is no reason why in cooperation there should not be achieved a uniform air policy for the empire, or why the various parts of the empire should have a divergent air policy. I again repeat that there are no insuperable difficulties in an empire policy being arrived at, reserving to each of its members the right to control its relationship with neighbouring countries.

We must realize to-day that air power will become more important as the years go by, that our survival will depend possibly again in the future upon air power, and that Canada cannot afford to take the attitude which she did prior to the present war, of refusing to consult with or to demand consultation with the other parts of the British empire. Canada cannot afford the luxury of isolationism after this war. We must never lose sight of the fact that history does not record that empires, any more than individuals, are given a third chance. I think we have an opportunity in the British commonwealth air scheme to build up an empire system of airways in no way hostile to those of any other part of the world. We have the personnel; we have the technical ability; we have the skill; we have the air factories; we have the trained men.

There are those who would say that the adoption of an empire scheme would imply domination by the empire. No such thing. What it would imply, Mr. Chairman, is negotiating on a larger basis with other nations. Think of the position of the commonwealth. It has within its territories many of the world's greatest bases. Canada has a strategic air position certainly unexcelled anywhere in the world. The British commonwealth scheme has a valuable trained personnel. Canada by herself could not hope to maintain routes on a world basis on a scale large enough to sustain a world scheme. That is shown by the fact that she has been unable to compete on equal terms with the United States, or at least has not done so on cross-frontier routes.

Empire trade must be encouraged to parts of the empire which are our greatest customers. We cannot afford to adopt an attitude of aloofness and allow our communications to be broken down, and expect a continuation of that trade. I think all will admit that Canada, however important she is, cannot take a major part in world transport system, neither by themselves can other parts of the empire. An empire scheme built up around a world system can now be made to include Australia and New Zealand; for with the universal adoption of the principle of freedom in transit, Hawaii may become a port of call for the airways of the future, which she was not in the past.

Australia and New Zealand have declared for an international system or, in its absence, an empire system, no doubt realizing that there might exist some opposition to an

empire scheme. Canada is the centre of the airways of the future. Should we not become the centre of an empire scheme comprising the whole world? That is the challenge I give to members of this house at this time, and again I say there is implied in that, no threat to any one, but rather unified collaboration in the interests of the control of aviation after the war, and in the interests of universal peace.

The establishment of the scheme would allow Canada to maintain Trans-Canada Air Lines. An empire corporation set up in this way could well adopt Canada as the headquarters for the system. It may be said that this is a new system. In general it was suggested, in part, on May 11, 1918, during the last war, but not followed, when the civil aerial transport committee met. In 1926, in a report to the imperial conference, the British Secretary of State for Air stated these matters as fundamentals in the building up of a great system of air transport, namely: The empire is in need of better communications, and if the communications are to be improved, a sustained and united effort will be required.

Now I come closer home and I refer to the 120,000 employees in the aircraft factories of the country to-day. We have in recent days asked the minister, what about the production, after the war, of aircraft? How many of the workmen will be employed? Promises of employment will not ensure the employment of the men.

The ACTING CHAIRMAN (Mr. McCann): The hon. gentleman has exhausted his time.

Some hon. MEMBERS: Let him finish.

Mr. DIEFENBAKER: I thank the committee. How many of these employees in the aircraft factories of Canada will be employed unless we set up such a scheme to ensure continuance of the plants in the production of commercial transports? I do not know whether our aeroplane factories can compete with factories in other parts of the world, though the minister said yesterday that the production curve indicated that we were doing a good job in that direction, but I believe that in a commonwealth scheme we shall assure employment for many thousands of these men who to-day are working in the aircraft factories of the country, and for many thousands of those who are overseas at the present time in the service of their country.

To adopt such a scheme would not clog the development among the various dominions, nor would it in any way create antagonisms; for regional considerations such as are advocated by the convention would still govern as between parts of the empire, and their contiguous national neighbors.

If we wait for five, six or seven years after the war is over before an international body is set up, then in my opinion there will have been such competition in the airways of the world that the control which is demanded to-day by the people of all the nations may in fact never be brought into effect.

There is one other matter I should like to deal with, and possibly I shall have to discuss it at another time. However, I will just sketch it. I refer to the domestic situation. I accept as axiomatic the principle that Canada's interest as a nation is paramount to the interests of any private companies, and that we have to ensure that our men who return shall be guaranteed employment. I do not, however, lose sight of the fact that private airway companies have opened up Canada. I remember the companies in the northern part of Saskatchewan where I live that started after the last war and pioneered those trails into the north when no public enterprise would have been able to undertake the work. I believe that private companies deserve the right to continue on the feeder routes, controlled in order to prevent a monopoly privilege from being established in this country. In my opinion, the time has come for a revision of the Transport Act, chapter 53 of the statutes of 1938. This is an act under which a quasi-judicial body is set up, a transport board. It has the power to-day to grant a licence to anyone over routes that have once been established by the government, and the board may grant it regardless of government policy. It may grant licences against government policy; for the granting of the routes is made dependent upon public convenience and necessity. That act was passed by parliament, and parliament is the place where it should be changed. This act of parliament has been emasculated by an order in council, P.C. 2200, which was passed on March 18, 1943, while parliament was in session. What was done was concurred in by the Minister of Munitions and Supply. For public convenience letters patent may be granted to any company having as a principal object or purpose the operation of aircraft either in Canada or between Canada and other countries. I repeat, the act was an act of parliament. In doing what was done by the minister, or with his concurrence, there was revealed by him a contempt of this parliament in that, while parliament was in session and without regard to submission to the people's representatives, there was thereby destroyed an important provision in a statute passed by the people's representatives.

Mr. HOWE: May I point out to my hon. friend that he did not read the whole effect of

the order in council. It provides that a patent shall be issued only after a hearing by the railway committee of this house. That, I think, is hardly undemocratic.

Mr. DIEFENBAKER: I am speaking about the action of denuding an act of parliament of its provisions by the indirect method of order in council while parliament is sitting.

Mr. HOWE: May I point out to my hon. friend that the incorporation of companies had nothing to do with the Board of Transport Commissioners Act. The transport commission has nothing whatever to do with the incorporating of companies.

Mr. DIEFENBAKER: The minister did by indirect means what he did not dare do by direct means. That is what I am objecting to.

Mr. HOWE: Tommy-rot.

Mr. DIEFENBAKER: I am glad to have the concurrence of the minister in the point I am endeavouring to make. Let me go on to show the attitude of the minister in the new transport board that is to be set up. The minister has set himself up as believing that he is above parliament. Could one expect sound judgment to be exercised by the courts if they were to be subject to dictation by a minister or by the executive? Under the plan announced by the minister a new transport board will be set up. This new board is shorn of its vitality before its conception by reason of its dependence on the executive being specifically provided for. The minister sets forth the situation in these words which are found at page 1574 of *Hansard* of March 17, 1944:

> It is proposed to establish a new board, to be called the air transport board, which will confine all its activities to air traffic, and which, in addition to performing the regularity duties now lodged with the board of transport commissioners, will be charged with the responsibility for advising the government on ways and means of bringing about a rapid and well-planned expansion of transport by air. The proposed board will examine the needs for new commercial services.

And so on.

> It is felt that the creation of a board, to be concerned solely with transport by air will ensure prompt attention to all matters affecting air transport, that may call for consideration by the government, and be of great assistance to government, and to private enterprise, in the post-war period.

These are its powers. It "may make recommendations." "It may advise the government." "It may report on the need." "It may perform such other allied duties as may be determined." That board, if set up, would not be an independent board, but would be a powerless tool in the hands of the executive. I protest against the principle of setting up boards with judicial functions, and at the same time denying them independence and power to carry out the recommendations that they make. As far as the general principle in Canada's domestic airways is concerned, the minister has adopted the principle that TCA shall have exclusive authority in so far as the Trans-Canada routes are concerned. The minister says that there is an opportunity to private enterprise in the feeder routes and accordingly the government recognizes the necessity of competition. Is the government going to subsidize these young men who come back from overseas? How are these young men to finance themselves in the setting up of these air routes? What provision is to be made for inter-city traffic? Is that to be under the government? The other day I read an article which indicated that during the next few months it is expected that there will be established in the United States a helicopter set-up, and that there are over some thousand applications for routes on hand to date. Will there be such a development in Canada? If so, will it be under government control?

The minister stated at page 1574 of *Hansard* of March 17, 1944:

> A vigorous aeroplane construction industry is an essential complement to Canada's post-war aviation plans.

Where will the demand be for these planes? How many of the factories are to be maintained? How many of the men will be employed? The minister says that the railways companies must dissociate themselves from air expansion. He will be able to explain the reason for that, no doubt, for the explanation that he has given so far does not fit very well into the explanation that he gave in 1937 when he said that the airways should be under the railway corporations.

What is the attitude in Britain? They are changing their attitude. They are giving the railway companies an opportunity to expand air services within the country and even on to the continent. The United States has declared for private ownership as far as foreign airways are concerned, although it is believed that so far as transoceanic airways are concerned they will be pooled as between the various companies. I ask this question: Where are the young men coming back from overseas to secure the opportunity that is promised them by the minister in the air development of the future unless there is continued in this country private enterprise alongside of state development? In my opinion, imagination, resourcefulness and initiative can come only

through a degree of competition, wherein the best benefits are secured from both state and private enterprise. There are fields for both. There is need of both, but there should be rigid control to prevent abuse, to assure competition in the interests of efficiency and to control monopoly. The rights of companies to develop new routes with reasonable service and at reasonable prices should be encouraged; and assurance should be given that the companies that develop shall be subject not to penalization when they have success, but to a continuation in the work that they have undertaken so long as they furnish good, efficient service at reasonable rates.

There is a definite change in the attitude of the minister in regard to railways. In 1937, the minister announced his views as reported in *Hansard* at page 2216. At that time he set out the reasons why the railway companies should operate. Why has he changed his views? These are matters on which we should like to have information. What has happened that has resulted in the necessity for the divestment of railway companies of their airway interests? Without the minister's answer to that question we cannot discuss the matter at any great length. Suffice it to say that, as far as this party is concerned, we believe that Canada should maintain control over the further developing of her vital position in national and international air transport. We believe that all internal air domestic aviation should remain under the board of transport commissioners or a board with similar powers, and not under the control of the executive. We believe that the existing TCA lines should be maintained and reasonably expanded; that privately owned commercial aviation should be allowed to expand and to open up new routes.

I again wish to thank the committee for having permitted me to speak beyond the forty-minute period. The science of aeronautics has developed in the laboratory of war. It becomes a matter of world importance that it shall be utilized and extended into the world of peace. Canada, with courage and skill and her strategic world position, has earned the opportunity to achieve a great destiny in postwar air development. But I warn this committee that we must be careful in the decision at which we arrive. Hon. members should discuss this problem freely and untrammelled, because we must make sure that Canada becomes more than a cross-roads, for Canada must be a factor in world and empire air development. What I have said is far from the final word that can be said on the subject, as I am sure the minister would admit that what he said was far from the final word. It is too early yet for anyone to speak with finality on the course of the airways after the war; but frank, free and unprejudiced discussion now may well bring about the creation of a path that will lead Canada to the goal of world peace, empire cooperation and the assurance to the Canadian people of domestic happiness and prosperity.

Mr. COLDWELL: I am going to take a minute or two, since the hon. member for Lake Centre referred to the statements made in this house by my colleague the hon. member for Winnipeg North Centre (Mr. Knowles) and myself on March 20. The hon. gentleman pointed out, as is done so frequently in this chamber, that we have very much in common with the British labour party and the labour parties of the commonwealths of New Zealand and Australia; and he went on to say that the British labour party had taken the position that international ownership as well as international control of the main air routes of the world might be undertaken. Just to keep the record straight, I should like to quote what I said in the course of my remarks, at page 1656 of *Hansard:*

> I think in the field of civil aviation we must have international understanding, international operation and international control. I should like to see the world go beyond where I think it can go to-day. I should like to see an international system owned internationally; but I realize that under present world conditions not only is that improbable but it is quite out of the question. Hence I believe we must have an intergovernmental regulatory body, one which will license and regulate and enter into arrangements with the nations, so that we may achieve the results we desire, namely efficient transportation, rapid transportation, comfortable transportation, safe transportation—and peace at the end of it all.

When that statement was made I was thinking that we do not know where Russia stands, as the hon. member for Lake Centre has said. We read of a considerable discussion of international airways in the United States of America, and it seems—unfortunately, I think —that the best we can hope for from the United States is international control, intergovernmental agreement. While I should like to see a wider scheme, we have to be realistic about the matter and get the best we can. I am glad the government has gone as far as it has in that respect; I wish that it might go farther. I realize there are others who wish to place the views of their particular parties or groups before this committee, so that while I should like to comment farther on what the hon. member for Lake Centre has said, I do not believe that at this time I should take more of the time of the committee.

Mr. CHURCH: Mr. Chairman, I have followed with the greatest interest the question of civil aviation ever since the last war, during which eighteen thousand cadets and mechanics of the Royal Air Force were trained in the city of Toronto. After the war many prominent people, including the late Colonel Barker, V.C., Air Marshal Bishop, Sir Frederick Handley Page, Air Marshal Collishaw and others came back to Toronto—and as mayor I discussed the matter with them for months—that Canada, which had done so splendidly in the last war, should continue with a programme of civil aviation during the time of peace. As an example, I refer to the progress that had been made three hundred years before on the high seas, when Britain, of her own volition, went out and created an oceanic empire through sea power, when she had only one rival, Portugal, and later on the Dutch. Britain gained command of the sea and built up her magnificent empire.

I am very much disappointed with the secret policy of the government in this connection. Why did Canada not seek first a conference with the other dominions in order to formulate an empire policy as a unit? What was the need for all this secrecy in regard to a public matter such as this, which is of the utmost importance to the future of the world and the future of our empire? Why were all these star chamber proposals made, when we had the minister and his staff in London at a time when there were also in that city representatives of nearly all the countries of the world trying to devise some definite plan for the progress of civil aviation and the progress of the world in general? One objection I have to this internationalization of bases is that Russia, our great ally, will have nothing to do with the idea, because they believe in collectivism. The United States will have nothing to do with internationalization; Washington almost shudders when one mentions it and international aviation. They are going to act separately in civil aviation. It is all very well to come here and appeal for this sort of thing, but after all we are only a nation of ten million people. Why should we go outside the empire and make international treaties with these world powers on one of the most important matters ever to come before the people of this country? It is dangerous to plan to share these bases with any other and give them sovereignty, while allowing user. I referred to this matter on July 15 of last year, when the estimates of the Minister of Trade and Commerce were under consideration. At page 4868 of *Hansard* I said:

If we had had an international policy which meant the giving up of empire ports like Gibraltar and Suez, the Cape, the far east and the West Indies, where would we be to-day? The empire would have been destroyed, and that would have meant the fall of civilization.

Already we have given the United States bases for ninety-nine years, reaching from Newfoundland to British Guiana, and no doubt they will want to hold on to them. Let us see what that will mean to this country. The bases which it is proposed to share are the backbone of the British empire on the seven seas. Upon them the security of the British empire has depended for some two hundred years, as it will depend in the future. Just fancy what would have happened to the mother country in the present war without these bases! The commonwealths and colonies would be adrift; the empire would become a perfect absurdity on the map; it would be a body without arteries. Just imagine what would have happened in 1940 if we had been compelled to share Gibraltar, Malta, the Cape, Alexandria and these other bases around the seven seas with the United States and Russia, two neutral powers for two years, and all the other powers that were afraid to provoke Germany. Our position would have been impossible. We should have been under pressure to keep neutral. Internationalization presupposes a perfect world of the future. It is one of those dangerous principles. The policy of the government is one of the most dangerous for the mother country that we have had in the last two hundred years. We are prepared to let trusted allies use our bases, as I said on July 15 last—even in peace. But beyond that concession there are dangers. We have to get back and look at the basic principles behind this policy of internationalization. We have to stop and listen, and go back to the very concept of the British nation, united and strong, to defend itself as a unit, existing as an influence among the powers of the world, and ready to cooperate with others on a self-respecting and honourable basis.

Imperial defence should be strengthened. I spoke in the house on July 15 last, after April 2, when the Prime Minister announced the policy which, in my opinion, has prevented an empire conference since then on this important matter of civil aviation. Civil aviation is to be the transport of the future. The Prime Minister practically threw cold water on the whole thing through the following words, which have been quoted in the British House of Commons. He said on April 2:

The Canadian government strongly favours a policy of international collaboration and cooperation in air transport and is prepared to support in international negotiations whatever international air transport policy can be demonstrated as being best calculated to serve not

only the immediate national interests of Canada but also our overriding interest in the establishment of an international order which will prevent the outbreak of another world war.

What was the result of that policy, which was quoted in England, in the British House of Commons? In my opinion, it was quoted by the acting leader of the government as one of the reasons why no empire conference on civil aviation should be called. True it is that some time in October, I believe it is the minister and some of his staff went over and had a conference over there. But there were no practical results from that conference. It was said then that under the statute of Westminster each of the dominions is responsible for its home defence, to three miles outside boundary lines. In addition to that, each dominion retains its status, autonomy and sovereignty, and has to look after its own domestic affairs. So much is that so that even in its air policy the domestic policy of Canada is that, following the statute of Westminster we are to set up a vast monopoly in this country, with hidden subsidies, something which will lead to untold error in connection with this work of civil aviation.

I referred to this speech of the Prime Minister when, speaking in the house on July 15 last, I said that the domestic policy of Canada in the air should be based on a well known policy in navigation laws and lease-lend, and that—

> We should be ready to cooperate with our allies and allow them to use these air bases, but we should not give away sovereignty over them. The empire has thrown back its enemies from without and in my opinion she will go on to destroy them. Now is the time that we should try to recapture the spirit of empire and our faith and pride in our dominions and in our trade and commerce. The empire is a living thing and should not be allowed to go by default or into liquidation.

That is what you are prepared to do now. You are prepared by this policy to allow this empire to go by default and into liquidation with a war on, instead of being a unit as an empire as to civil aviation. I said further on the same date:

> The mother country and the dominions fought this battle alone for two years. Our soldiers carried on with those from India, New Zealand, South Africa, Australia and the empire training plan. We stood shoulder to shoulder in the snows of Labrador and Newfoundland and in the heat of India and the far east.
>
> In the days before the war you could go into any large port and find fifteen or sixteen ships from different parts of the empire carrying on their trade.

I have seen that in Halifax, Victoria and Vancouver.

> I believe that this same spirit of empire co-operation will continue in the years that are to come. Canada should be ready to go along with the dominions and the empire. The time has come when the Minister of Trade and Commerce should tell this committee and the country what our relations are with the other sister dominions who fought along with us for two years to save civilization. One of our great allies stood aside for two years with Germany, but Russia has since made a glorious record. To-day she is practically fighting her battles alone except for some supplies and munitions that are being sent in.

I went on record to the effect that the policy should be to allow these bases to be used by all the world in the future. But sovereignty—no. They should be retained by the mother country and by the British empire. That is why I have objected to such secret policies in the house.

Had the same energy been put into civil aviation in the period between the two wars that has been put into it in the empire air plan since the war started, we never would have had a second war. I have followed this civil aviation question, right from the start of the last war, and I have been very much disappointed in what I have seen.

The minister of Munitions and Supply on the 17th of this month gave a fine history of civil aviation. He placed on record a splendid summary of the progress of civil aviation. He pointed out what had been done by private enterprise and private initiative. Then he went on to refer to many other matters, pointing out that a reduction had been made in the estimates in 1935, and then went on to a reference to Trans-Canada Air Lines, and how Canadian Pacific Air Lines would not come in.

Did this international agreement he quoted ever come before the other dominions? I am referring to this international agreement given out secretly at Washington, over the heads of parliament, behind our back, when parliament was in session, which decided on a domestic policy involving the greatest monopoly this country has ever seen, and for the payment of hidden subsidies to a corporation whose civilian heads had had very little training. There was one exception, because the head of Trans-Canada Air Lines, Philip Johnson, had come from the United States, and was an able business man who had had experience in aviation.

But Canada's policy of not calling an empire conference on civil aviation will have unfortunate results, because she has been advocating a policy of internationalization. No definition has been given with respect to what internationalization is, and no one understands what it is. The House of Commons has never seen this particular agreement, and I doubt if some of the dominions have ever

read it. I doubt if the British parliament has ever seen it or discussed it, because they had a debate over there last June.

Some form of internationalization is no doubt necessary. Some form of private enterprise, or a mixed form of private and public enterprise, might be considered. But I believe the whole policy of the government is entirely wrong and a leap in the dark, and it is one which will not commend itself to the wisdom of the country. After all is said and done, if that is the view of the government, then there is very little hope for civil aviation in Canada in the future of Canada or the empire. I never have been able to see how this secret conclusion was ever reached. Civil aviation should not be a political question, nor should it be the plaything of any political party. It should be considered on its merits. In the great future which lies before this country we must wrap ourselves up with the mother country and the dominions, as a unit, in a joint empire air scheme, as we did in war.

As far as domestic aviation goes it is wrong to create a monopoly in this and other countries. The government is just drawing red herrings across the track, with a war on, and creating unnecessary dog-fights between these two companies. All this is being done when the war is not yet won. We should get back to basic things, namely, what the British empire as a unit should do in connection with civil aviation with an all-empire plan.

Instead of sticking to the main policy and the main task that is before us, instead of considering what is best to be done, we start off by creating a dog-fight between the two transportation systems in this country which have been doing glorious work in this war.

I was interested in civil aviation many years ago in connection with the policy of the present government and the government before it. Little or nothing was done, before the two wars, about civil aviation; it was left to private enterprise. The means by which we were able to obtain a technical victory in the battle of Great Britain were made possible by the information obtained in the Schneider race in 1931. The British government were able to obtain information which laid the foundations for the winning of the battle of London in 1940. The low-wing monoplane was born in that race, and this was the ancestor of the Spitfire and the Hurricane. Many great inventions followed out of the information obtained from those races. But there has been a complete lack of policy on the part of this government and that of the mother country in connection with civil aviation.

[Mr. Church.]

I am dissatisfied with the policy of this government because it will not solve the problem. The two transportation companies are to be put out of existence in the air and all surface road transport, and a new company is to be substituted. They do not say how Canadian Pacific Air Lines are to be liquidated, and they fail to recognize the findings of the council of British shipping. This is an important body which has done much to help to win the battle of the Atlantic and keep the empire trade routes open in war. Their experience dates back for 200 years in providing sea services, and they outline the part they feel they can play in civil aviation. The report of that body in 1944 reads:

> Our problem in this matter is greater, but our opportunities are also greater than those of any other great power. The shipping industry does not pretend to any specialized knowledge of aviation, but it possesses experience of travel.
>
> What it does possess and what it offers as a practical contribution to this task is a wealth of experience derived from our generations of successful management of overseas services; an efficient organization already dealing with those classes of passengers and freights likely to be borne by air; and a network of branch offices and agencies all over the world.
>
> That contribution, the result of vast experience, was at first gained in monopoly before other countries took to overseas ventures, and then in competition with shipping subsidized by foreign governments. Having watched the effects of subsidies and of monopoly, the shipping companies believe that they should not be established for the air. They also believe that "persistent subsidy would retard genuinely healthy progress." . . .
>
> The war itself is both a forcing house for the development of the aeroplane and an agent for the wholesale destruction of ships. What might therefore have been a gradual, will become an abrupt transition. British shipowners, when tackling the rehabilitation of their traditional services after the war, will be presented also with an unusual opportunity to convert them spontaneously from the old medium to the new, in whatever respects and in whatever proportions their respective characteristics and the requirements of each trade or group of trades may suggest.
>
> But any such spontaneous conversion is faced immediately by two obstacles. First, there is the risk under present legislation that shipowners may find themselves in competition with their own government in the shape of British overseas airways corporation.
>
> This corporation holds a legal monopoly of all British services which are subsidized from public funds. The council of British shipping hold that their experience is of great value to the future.
>
> A far wider and more varied deployment of experience, resources and individual enterprise would appear to be required, and British shipowners, in technique and experience and in their long established position in international transport, should be able to make certainly not

an executive but a substantial contribution to the sum total of British air commerce. Ships and aeroplanes are by no means mutually exclusive. On the contrary, experience has shown that they can, and ideally should, be operated in a sense complementary to each other.

The conduct of a regular air line and that of a regular sea line have wholly systematic characteristics. Each calls for long term policies; each requires an international outlook; in each rigid technical discipline is essential to public safety; each finally succeeds only by capturing and retaining the goodwill of the travelling public or the consignor of freight.

In this remarkable memorandum the council of British shipping have made a real contribution to our understanding of the subject of air and sea transport. They end with suggesting that there should be a national empire board and they say:

In its twenty-five years of existence the national maritime board, on all questions of seagoing conditions and pay, has not only acquired confidence and authority, but has developed within itself a happy combination of mutual respect, commonsense and an absence of rhetoric.

New Zealand and Australia have attempted to do something in connection with air routes and civil aviation. Mr. Curtin and Mr. Fraser appealed to Canada, last January when they met, to hold a meeting in order to bring about a unified policy for the empire. When I spoke on this matter here two weeks ago I quoted the speeches of Mr. Curtin and Mr. Fraser of January last and also referred to what the war correspondent of the Sunday *Times* said in his dispatch dated January 16. I repeat:

It is not generally realized at home that America has a Pacific air route which is marvellously well organized. On the day after war ends the same pilots, planes, air crews, ground organization, wireless and meteorological services will be available to begin commercial air services between Canada, America, Australia and New Zealand.

The British empire will not be in this lucrative traffic because nowhere on the Pacific route during war is there one British plane, pilot, meteorological expert or radio operator. Unless Britain places air crews on this route in 1944 she will be left at the post as far as experience and good will of services go, if peace comes in 1945.

The Prime Ministers of Australia and New Zealand made an appeal to Canada to send delegates to an empire conference, and urged that serious consideration be given to the question.

The United States have been progressive in civil aviation. Many of the prominent men in this industry gained their experience in the R.A.F. in Toronto during the last war. The Americans have a tremendous hold over the Pacific, and they did not get it by accident but by enterprise, at a time when Canada was asleep. They have made great concessions to travellers. The United States air service over the Pacific is free, every military or civilian traveller having the benefit of that route at no cost to himself.

The Prime Ministers of Australia and New Zealand had a conference on the 17th of January at which they agreed on an airways plan and made an appeal for an empire air policy. Canada has ignored it all, and has done nothing about it. Now Canada announces an international air policy as though she were a first-class power. I can tell you this, that America will have nothing to do with internationalization, neither will Russia. Russia has an agreement with the mother country for after the war to which the dominions are not a party.

I am very much disappointed with the whole air policy of the government, and I do not believe it will ever be consummated. In Canada we should have a chair in civil aviation in every large university, especially after the glorious record that Canada has made in this war with the empire training plan, which cost the taxpayers of this country close to a billion dollars. But we shall get little value out of it all under the domestic and international policies of this government. How does it come about that this policy is announced over the head of parliament and that a secret international document like this was produced in Washington over our heads and put into the record? It was done over the head of this parliament while in session, and over the head of the mother country, over the head of Australia and New Zealand and the other dominions which have been fighting with Canada in this war. Imagine the future for our young aviators coming back from this war if we have no settled air policy! This policy has been got up by a minister of the crown over the head of parliament. How many members have read this secret international proposed agreement? I have read it three or four times and I as a simple Canadian citizen am shocked by it. It goes over the head of Britain, which stood alone in the battle of Britain. This policy is got out over the head of parliament while our young aviators are fighting overseas. I doubt if few members have read the policy. It is, in my opinion, a shock to the people of the empire, and I have made a study of civil aviation ever since the magnificent record Canada made in the air in the last war.

I have waited for over twenty years for this day, to see that civil aviation would at least get a break here and that we could have

a discussion in this house of this matter. Hitherto we have had no chance to discuss the future of aviation and the place it will occupy in our life when our young men come back from the war. How many of them, when they return, will have one hundred dollars in their pockets to finance a feeder line? What is the use of talking about their coming home as owners to enter an air industry? They will have twenty-five dollars in their pocket to buy a suit of clothes, but not sixty dollars, and yet we have squandered millions on camps all over this country without suitable sewers or water in them. Is that what our pilots are fighting for? Is that what we are doing for them, instead of calling a conference with the other dominions with a view to action along the lines I have indicated?

We have a navigation policy under which any ship can enter our harbours and land its cargo. They cannot enter our coastwise trade on the Atlantic or Pacific, but they can land their goods at our ports. That policy has proven in navigation a success for two hundred years, and has made Great Britain the great ocean-going country she is. The same principle should be applied to civil aviation, which should be free the world over. I regret that, instead of sticking to the large issue, the government has brought in these irrelevant matters when the war is on, and at a time when the railways are doing magnificent work they are to be deprived of any share in civil aviation. At a time when railway facilities in this country are choked, the ministry says: Nobody shall engage in civil aviation except the government, and they shall have a monopoly of it. I am not a Canadian Pacific man or any other kind of man, but one of independent mind, but I do say that this policy is a mistake. The government has got out a political report on civil aviation in the domestic and in the international field. Civil aviation should rank next to agriculture in providing work and employment for our young men when they return from this war after writing the most glorious page in the history of the world. I still have ten to fifteen minutes, Mr. Chairman, and I will continue my remarks when this question comes before us again, since I see it is now eleven o'clock.

Item stands.

Progress reported.

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

[Mr. Church.]

Wednesday, March 29, 1944

The house met at three o'clock.

THE ROYAL ASSENT

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

Ottawa, March 29, 1944.

Sir:—I have the honour to inform you that the Hon. Thibaudeau Rinfret, Chief Justice of Canada, acting as deputy of His Excellency the Governor General, will proceed to the Senate Chamber on Friday, 31st March, at 5.45 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.

The Honourable
The Speaker of the House of Commons,
Ottawa.

JUDGES ACT

JUDGES NOT TO ACT AS COMMISSIONERS OR ARBITRATORS—TO BE BOUND BY DECISION OF COURT OF FINAL APPEAL

Mr. T. L. CHURCH (Broadview) moved the first reading of Bill No. 52, to amend the Judges Act.

He said: This bill consists of two clauses and is the same as the one I introduced last year. The first section prohibits judges from acting as commissioners or arbitrators. The second section states that judges are to be bound by decision of court of final appeal.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

INCOME TAX—COMPULSORY SAVINGS

Mr. ROEBUCK:

1. Has written acknowledgment of amount of compulsory savings standing to their credit been given taxpayers by the government?

2. If not, when will it do so?

Mr. GIBSON:

1. Yes, already over 800,000 certificates of compulsory savings have been issued in connection with the 1942 income.

2. Answered by No. 1.

WARTIME HOUSING—NORTH VANCOUVER

Mr. SINCLAIR:

1. What is the amount of money spent by Wartime Housing in north Vancouver on, (a) houses; (b) staff houses; (c) roads, sewers, etc.?

2. What is the unit cost of, (a) the six-room house; (b) the four-room house?

3. What is the monthly rental of, (a) the six-room house; (b) the four-room house?

4. What is the total annual payment made to the city of north Vancouver by Wartime Housing in lieu of taxes?

5. What are the names, addresses and places of employment of all occupants of the houses as at February 29, 1944?

Mr. CHEVRIER:

1. (a) $1,913,480.75.
   (b) $ 80,507.

Note—special buildings—$147,299.

   (c) $ 793,546.34.

2. (a) $ 3,138.
   (b) (i) 4-roomed house, small—$2,674.
   (ii) 4-roomed house, large—$2,816.

3. (a) $27.
   (b) (i) 4-roomed house, small—$20.
   (ii) 4-roomed house, large—$22.

4. $19,524.

5. As over 700 houses are involved, the information asked for is not readily available. A very careful investigation is made of all prospective tenants to insure 100 per cent occupancy by war workers only in houses built by wartime housing limited.

PRODUCTION OF GIN AND WHISKY

Mr. McGREGOR:

What amount of, (a) gin; (b) whisky, was produced in Canada during the year 1943?

Mr. GIBSON: During the calendar year 1943, 24,315,935.23 proof gallons of spirits were produced in Canada. We have no information regarding the class or character of spirits produced.

R.C.A.F.—BOMBING AND GUNNERY SCHOOLS

Mr. BENCE:

1. How many R.C.A.F. bombing and gunnery schools were in service in Canada on January 1, 1944?

2. What were the numbers of such schools, and where were they located?

3. Which of such schools are being closed in 1944?

4. How many hours during the calendar year 1943 were the trainees in each of such schools prevented from performing their bombing exercises through poor visibility?

Mr. MACMILLAN:

1. 10.

2. Bombing and gunnery school
No. 1—Jarvis, Ont.
No. 2—Mossbank, Sask.
*No. 3—Macdonald, Man.
No. 4—Fingal, Ont.
No. 5—Dafoe, Sask.
No. 6—Mountain View, Ont.
No. 7—Paulson, Man.
No. 8—Lethbridge, Alta.
*No. 9—Mont Joli, P.Q.
*No. 10—Mount Pleasant, P.E.I.

*At these three schools, air gunners are trained only and no bombing exercises are flown.

3. No. 2 bombing and gunnery school, Mossbank, Sask.; No. 8 bombing and gunnery school, Lethbridge, Alta.

4. Shown in Appendix "A" below are the numbers of days and nights during the year 1943 which were unfit for flying bombing exercises. Weather records show only the number of half-days and half-nights which were unsuitable for flying and do not specify the definite reason, such as, low visibility, low cloud height, snow conditions, etc.

Appendix "A"

Summary of Unfit Flying Weather

R.C.A.F.

Bombing and Gunnery Schools

Period—Jan. 1, 1943 to Dec. 31, 1943

School	Days	Nights
No. 1 B.G.S., Jarvis, Ont.	128	189
No. 2 B.G.S., Mossbank, Sask.	89	101½
No. 4 B.G.S., Fingal, Ont.	111½	119½
No. 5 B.G.S., Dafoe, Sask. ...	103	130
No. 6 B.G.S., Mountain View, Ont.	80	146
No. 7 B.G.S., Paulson, Man. ..	45	113½
No. 8 B.G.S., Lethbridge, Alta.	74½	93

PRISONERS OF WAR—MEDICAL AND DENTAL SERVICES

Mr. NICHOLSON:

What is the ratio of Canadian medical doctors and dentists per thousand German prisoners-of-war in the internment camps in Canada?

Mr. MACDONALD (Halifax): R.C.A.M.C. medical officers, 1 to 1292; C.D.C. dental officers, 1 to 3507.

In addition to caring for the health of the prisoners of war, the medical and dental

officers are responsible for attending to the medical and dental needs of the army guards stationed at prisoner of war camps.

WARTIME INFORMATION BOARD—ABBE KOTOWSKI

Mr. DORION:

1. On what date did Abbe Kotowski enter Canada?

2. Where did he come from?

3. What were his domiciles or residences since August, 1939?

4. What is his nationality?

5. Is he still in Canada? If not, when did he leave?

6. At whose request did he come to Canada?

7. At whose suggestion did he come to this country?

8. What was his work before arriving in Canada?

9. What were the conditions of his entry to Canada?

10. What were his activities in Canada?

11. Did he perform any work in connection with the wartime information board?

12. If so, of what nature, and what were his instructions from the said board?

13. Has a report been made to the wartime information board or to the government by Abbe Kotowski, or by someone else, in connection with his activities?

Mr. MACKENZIE KING:

1. Reverend Kotowski entered Canada on December 8, 1942.

2. Brazil.

3. See answer to 8 below.

4. Polish.

5. No. Reverend Kotowski left Canada on June 7, 1943.

6. & 7. Reverend Kotowski came to Canada at the invitation of the former Department of Public Information, (the functions of which were taken over by wartime information board), with the concurrence of the Department of External Affairs.

8. Reverend Kotowski is a doctor in political and social sciences. 1920-1925 he pursued advanced studies in philosophy at Poznan and Lyon. In 1926 he was a member of the Polish mission in France (Lyon). In 1927, Cardinal Hlond, Primate of Poland, assigned him the spiritual ministration of Poles in Belgium, the Netherlands and Denmark. In 1929 he was professor at the Lycee Stefan Zeromski and a member of the Institute of Social Sciences at Warsaw. In September 1939, he was in Warsaw and escaped to eastern Poland where he was interned for six weeks. He finally reached Paris via Sweden. Between February and June 1940, he was chaplain of the Polish Mission at St-Maur-des-Fosses, suburb of Paris, and later at Biarritz. From October 1940 to November, 1942, he was in Brazil attached to the Barnabite Fathers and Chaplain of the Notre-Dame de Lourdes Order as professor of Philosophy and Moral Theology.

9. Reverend Kotowski entered Canada in compliance with the usual immigration requirements.

10. Reverend Kotowski came to Canada to give a first hand account of the events in Poland since the outbreak of the war.

11. Answered by 7 and 10.

12. Reverend Kotowski received no special instructions from wartime information board.

13. A report was made to the wartime information board by Father Kotowski on the meetings he addressed in Canada.

LABOUR CONDITIONS—EQUAL WAGES TO MEN AND WOMEN

Mrs. NIELSEN:

According to information on wage rates collected by the Department of Labour or the national war labour board—1. Taking a representative sample of firms employing more than 100 workers each, what proportion are paying equal wages to men and women on similar jobs?

2. How many women are employed in those firms which the sample showed to be paying equal wages to men and women on similar jobs?

Mr. MARTIN: The hon. member has spoken to me about this question. I believe I represent her wishes when I ask that the question be dropped.

Question dropped.

LABOUR CONDITIONS—EDMONTON COAL MINES

Mr. JOHNSTON (Bow River):

Will provision be made to give immediate employment to the 500 miners who have been dismissed from the Edmonton coal mines?

Mr. MARTIN:

1. Five hundred coal mine workers have not been dismissed from the Edmonton coal mines. Dismissal notices effective March 31, have been served on approximately that number.

2. Certain of these men will be returning to farm work for the summer season following the regular practice in this area, and employment will also be provided for the balance of the men concerned.

INDUSTRIAL ALCOHOL

Mr. BENCE:

1. How much industrial alcohol was produced in Canada in the year 1943?

2. How much of such industrial alcohol was exported to the United States of America during the said year?

3. What was the total amount paid therefor?

4. How much of the said industrial alcohol produced in Canada was purchased by the federal government?

5. What was the total amount paid therefor?

6. From what product was such industrial alcohol manufactured?

7. Was any industrial alcohol imported from the United States of America to Canada during the year 1943, and if so, in what quantity?

8. What plan, if any, has the government for the increase of industrial alcohol from grain in this country?

Mr. CHEVRIER:

1. 14,554,582 imperial gallons.

2. 6,451,955 imperial gallons.

3. The price paid by the United States government for alcohol exported by Canada is on the basis of cost plus 5 per cent with a ceiling on the profit per gallon payable to the distiller.

4. 8,341,999 imperial gallons.

5. The price paid by the Canadian government is on the basis of cost plus 5 per cent with a ceiling on the profit per gallon payable to the distiller.

6. Wheat.

7. No.

8. Because the supply of industrial alcohol exceeds the demand there are no projects under consideration at the present time by the department using grain as a source of alcohol. Improvement in operation and in set-up by various distillers will result in a substantial increase in production of industrial alcohol during 1944.

WARTIME HOUSING LIMITED—SEA ISLAND, BRITISH COLUMBIA

Mr. REID:

1. How many houses have been constructed by Wartime Housing Limited at Sea Island, British Columbia?

2. What has been the total cost of this project to date, giving, (a) cost of land; (b) cost of houses?

3. How many of these houses have been rented up to February 29, 1944?

4. What will be the total amount of rents collected when all the houses under this project are occupied?

5. Has any arrangement been made between Wartime Housing Limited and the municipality of Richmond in regard to school accommodation for the children in this area?

6. If so, what arrangement has been made for school accommodation, and under what arrangement with the municipality is the school accommodation being provided?

7. How many schools have been built by Wartime Housing Limited under the various projects throughout Canada?

8. Where are these located, giving size and cost of same?

Mr. CHEVRIER:

1. As of March 20, 1944—192 out of 300 contracted for.

2. (a) $19,203.60; (b) $727,354.66, inclusive of services, etc.

3. 111.

4. Potential rent—$7,777 per month.

5 and 6. Negotiations are proceeding with the wartime housing administrator, The Richmond Transportation Company, the transit controller, and the city of Vancouver, in order that arrangements can be made to convey children from homes to their schools. Schooling has been arranged with the school board of the city of Vancouver and wartime housing limited has agreed to pay a cover rate of $6 per month per pupil up to 150 pupils, for the period covering commencement to June 30, 1944. The Richmond school board will, as requested, provide schooling accommodation for not more than 150 pupils until June 30, 1944, but not afterwards, at the rate mentioned.

7. Thirty-one, including those built by wartime housing limited through contributions.

8. Location	Size	Contribution	Completed cost	Estimated cost
Esquimalt, B.C.	4 rooms			$ 46,350 00
North Vancouver, B.C.	10 rooms		$70,000 00	
North Vancouver, B.C.	4-roomed addition			43,250 00
Prince Rupert, B.C.	6 rooms			50,000 00
Arvida, P.Q.	10 rooms			88,000 00
Beauharnois, P.Q.	2 rooms	$11,000 00		
Cartierville, P.Q.	10 rooms			107,300 00
Chicoutimi, P.Q.	4 rooms			48,550 00

8. Location	Size	Contribution	Completed cost	Estimated cost
De Salaberry, P.Q.	8 rooms		53,605 00	
Jonquiere, P.Q.	4 rooms			43,550 00
Hamilton, Ont.	6 rooms		61,828 00	
Hamilton, Ont.	6 rooms			42,000 00
Hamilton, Ont.	2-roomed addition			21,030 00
Malton, Ont.	4 rooms		25,307 00	
Long Branch, Ont.	2-roomed addition	15,000 00		
Niagara Falls, Ont.	3-roomed addition		27,842 00	
Peterboro, Ont.	2 rooms		22,250 00	
Pickering, Ont.	10 rooms		50,734 00	
Pickering, Ont.	2-roomed addition			13,000 00
St. Catherines, Ont.	4 rooms		26,839 00	
Welland, Ont.	2-roomed addition			21,030 00
Welland, Ont.	2-roomed addition			21,030 00
Welland, Ont.	4-roomed addition			41,350 00
Windsor, Ont.	4-roomed addition		22,998 00	
Windsor, Ont.	4-roomed addition		22,153 00	
Moncton, N.B.	4 rooms		38,350 00	
Dartmouth, N.S.	6 rooms		49,431 00	
Halifax, N.S.	5 rooms		44,479 00	
Halifax, N.S.	5 rooms		44,997 00	
Halifax, N.S.	10 rooms			97,680 00
Pictou, N.S.	6 rooms			46,750 00

INTERNMENTS—JOHN LORRIMER AND JOSEPH FARR

Mr. ROSE:

1. Were John Lorrimer and Joseph Farr interned under the defence of Canada regulations for fascist activities?

2. Have they been released?

3. If so, what is the reason for their release?

Mr. ST. LAURENT:

1. John Lorrimer and Joseph Farr were detained under the authority of regulation 21 of the defence of Canada regulations.

2. Yes.

3. Recommendation of an advisory committee.

BUTTER

Mr. HANSELL:

1. What was the total production of butter in Canada for the years 1940 to 1943 inclusive?

2. How much butter was exported, (a) to Great Britain; (b) to other countries, during the years 1940 to 1943 inclusive?

Mr. MacKINNON (Edmonton West):

1. Production of creamery butter in Canada for the years 1940, 1941, 1942 and 1943:

Calendar year	Cwt.
1940	264,724
1941	285,848
1942	284,591
1943	312,310

2.

Statement Showing Canadian Exports of Butter to Great Britain and to Other Countries, During the Calendar Years 1940 to 1943

	1940		1941		1942		1943	
Country	Cwt.	Value	Cwt.	Value	Cwt.	Value	Cwt.	Value
United Kingdom	9	$ 248	100	$ 3,983	....	$	70,892	$2,940,098
British South Africa	....	....	....	....	14	655	....	....
Gambia	....	....	....	....	48	2,805	....	....
Gold Coast	....	....	....	....	90	4,969	263	12,771
Nigeria	10	473	....	....	7	349	45	2,184
Sierra Leone	....	....	....	....	109	5,521	184	9,476
Bermuda	3,358	95,326	564	18,478	35	1,074	....	....
British Guiana	763	21,928	2,982	88,642	1,530	51,592	3,016	116,156
British Honduras	125	4,223	40	1,414	....	....	....	....
Barbados	342	10,901	949	25,192	816	24,009	382	15,539
Jamaica	74	1,992	46	1,562	14	676	2,225	58,015
Trinidad and Tobago	1,897	55,452	916	31,070	914	38,800	5,887	232,633
Other British West Indies	2,090	63,177	1,204	43,800	316	12,828	617	21,157
Newfoundland	3,158	86,764	6,903	242,729	10,641	384,110	9,510	367,755
Belgian Congo	4	184	....	....	....	....	....	....
China	56	1,308	....	....	....	....	....	....
Colombia	....	....	1	45	....	....	....	....
Costa Rica	25	1,152	2	110	....	....	....	....
Greenland	....	....	77	2,851	289	10,321	65	2,786
Egypt	....	....	....	....	24	1,384	....	....
French Africa	14	555	....	....	....	....	....	....
French Guiana	26	1,238	....	....	....	....	....	....
French West Indies	1	36	....	....	....	....	....	....
St. Pierre and Miquelon	741	18,247	718	22,050	885	29,929	998	41,154
Guatemala	6	360	5	238	....	....	....	....
Hayti	14	441	....	....	....	....	....	....
Iceland	100	2,513	....	....	....	....	....	....
Japan	3	141	2	94	....	....	....	....
Liberia	....	....	1	32	....	....	....	....
Netherlands Guiana	2	64	....	....	....	....	....	....
Netherlands West Indies	53	1,491	2	98	....	....	....	....
Peru	205	5,774	274	9,974	200	7,920	....	....
United States	260	6,612	28	996	38	1,487	....	....
Alaska	4	137	....	....	39	1,590	2	76
American Virgin Islands	4	198	2	79	....	....	....	....
Venezuela	32	1,364	2	88	....	....	....	....
Total	13,376	$382,299	14,818	$493,525	16,009	$580,019	94,086	$3,819,800

R.C.A.F.—OTTAWA BUILDING

Mr. BENCE:

What was the total cost of the air service building constructed for the Department of National Defence on Cartier Square, facing Lisgar street?

Mr. MACMILLAN: $641,902.58.

CONSCIENTIOUS OBJECTORS

Mr. REID:

1. When a conscientious objector is directed to employment in agriculture, (a) how much is the employer required to pay for his services; (b) what does the conscientious objector receive; (c) what is done with the balance of his earnings?

2. When a conscientious objector is directed to employment in industry, (a) how much is the employer required to pay for his services; (b) what does the conscientious objector receive; (c) what is done with the balance of his earnings?

3. What is the total amount that has been paid by employers of conscientious objector labour to the chartered banks for the credit of the Canadian Red Cross society up to and including February 29, 1944?

Mr. MARTIN:

1. (a) The prevailing wage rate.

(b) $25 monthly together with board and lodging.

(c) The employer, on receipt of billing from district treasury officer, deposits the balance

of the conscientious objector's salary in a chartered bank for the credit of the Canadian Red Cross Society, after deduction has been made therefrom, for any dependent's allowances that may have been authorized.

2. (a) The prevailing wage rate.

(b) $25 monthly plus reasonable living allowance in lieu of board and room.

(c) The employer, on receipt of billing from the district treasury officer, deposits the balance of the conscientious objector's earnings in a chartered bank monthly for the credit of the Canadian Red Cross Society after deduction has been made for any dependent's allowance that may have been authorized together with any amounts which he is required to pay by law to other persons.

3. $348,460.16.

PRAIRIE FARM ASSISTANCE—ONE PER CENT LEVY ON GRAIN SALES

Mr. FAIR:

What amount was collected in each province as a result of the one per cent levy on grain sales under the Prairie Farm Assistance Act?

Mr. MacKINNON (Edmonton West): One percentum levy—Total collections for four years from August 1, 1939, to July 31, 1943:

Manitoba	$1,510,211 26
Saskatchewan	4,952,763 56
Alberta	2,728,078 85
Total	$9,191,053 67

QUESTIONS PASSED AS ORDERS FOR RETURNS

GOVERNMENT-OWNED FACILITIES AND ADVANCES TO PRIVATELY-OWNED PLANTS

Mr. NOSEWORTHY:

1. What is the number, and what cost of government-owned facilities that come within the following industrial classification (by classification only—not by individual facilities), (a) aircraft, aircraft parts and accessories; (b) ship construction and repairs; (c) combat transportation and other motorized vehicles; (d) guns; (e) ammunition, shells, bombs, etc.; (f) explosives and ammunition loading and assembling; (g) iron and steel products; (h) non-ferrous metals and products; (i) machine tools and metal-working equipment; (j) machinery and electrical equipment; (k) chemicals; (l) synthetic rubber; (m) gas and oil products; (n) other miscellaneous manufacturing; (o) non-manufacturing, mining, pipe-lines, etc.?

2. (a) What is the amount of government money advanced since the beginning of the war to privately-owned firms engaged in production in each of the above-listed industrial classifications; (b) what is the number of such firms in each classification to which government money has been provided; (c) on what terms or conditions has such government money been provided in each classification?

3. (a) In what government departments, commissions or other government agencies is the ownership of these government-owned facilities vested; (b) what is the number of projects owned by each department, commisison or other government agency; (c) what is the cost of the projects owned by each of these government departments, commissions or agencies; (d) which of these facilities in each classification are operated by the government, and which are operated for the government by private companies?

FOREST RESEARCH—BRITISH COLUMBIA—LUMBER FOR DOMESTIC AND EXPORT USE

Mr. CRUICKSHANK:

1. Have any representations been made to the federal government regarding the establishment of a forest products research institute at the University of British Columbia? If so, what steps are being taken in this connection?

2. What percentage of the production of lumber in Canada has been produced in British Columbia for, (a) domestic use; (b) export?

CONTROL BOARDS

Mr. LECLERC:

1. How many control commissions has the government of Canada instituted since the beginning of the war?

2. What are the names of the chief officials of such commissions?

3. What are their salaries?

EXPROPRIATION OF LANDS—SESSIONAL PAPER 259

Mr. HATFIELD:

1. Per sessional paper No. 259 of May 4, 1942, have the parcels of land expropriated and marked "unsettled" yet been settled?

2. If so, what are the prices paid for each parcel?

3. To date, what amount of money was paid to Clovis P. Richard, in searching the title, attending to the execution of the title deed, etc., for each parcel, showing detailed statement?

DUNDURN, SASK., MILITARY CAMP

Mr. DIEFENBAKER:

1. From whom was coal purchased for Dundurn military camp in the province of Saskatchewan during the year 1943, and to date?

2. What were the grades supplied, and the price per ton?

3. In what mine or mines is such coal mined, and what are the names of the several companies owning the said mine or mines?

4. What is the price per ton at the mine-head of the several grades supplied?

CANADIAN FORCES—PENSIONS

Mr. QUELCH:

1. How many men and women serving in the armed services in Canada have, (a) died; (b) been discharged due to a disability?

2. (a) In how many of these cases were the dependents of those who died refused a pension on the grounds that death was not incurred as a result of military duty; (b) how many pensions were granted on compassionate grounds?

3. (a) How many of those discharged due to disability were refused a pension on the grounds disability was not due to military service; (b) how many were granted pensions on compassionate grounds?

LEGAL SERVICES—QUEBEC PROVINCE

Mr. LACOMBE:

1. What are the names of the lawyers and the legal firms in the cities of Quebec, Lévis and Montmagny, (a) receiving fees from the dominion government or any of its commissions from the 1st January, 1937, to date; (b) to whom any fees are still due and payable?

2. What amounts have been paid to each of them, in what year, and for what services?

3. What amounts are still due to each, and for what services?

4. What are the names of the lawyers and the legal firms at present employed by the dominion government or any of its commissions in the cities mentioned?

MOTIONS FOR PAPERS

PENSIONS—OLD AGE AND BLIND

Mr. KNOWLES:

For a copy of all correspondence dated since January 1, 1943, between the federal government and the governments of the several provinces and/or the provincial pension authorities, relating to the filing of liens against the property of old age and blind pensioners; also for a copy of all correspondence between the same dated since January 1, 1943, relating to the interpretation of subsections (2) and (3) of section 9 of the Old Age Pension Act.

SOLDIER SETTLEMENT—DEDUCTIONS FROM DEPENDENTS' ALLOWANCES

Mr. FAIR:

For a copy of an order in council passed during the early months of the war which made provision for deducting a certain amount each month from the dependents' allowance of wives or other dependents of soldier settlers who enlisted in the present war and applying such certain amount on the indebtedness of the soldier settlers concerned to the soldier settlement board.

Mr. CRERAR: Return tabled.

BUSINESS OF THE HOUSE

EASTER ADJOURNMENT

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

That when the house adjourns on Friday, March 31, it stand adjourned until Monday, April 17, 1944.

Motion agreed to.

LOAN OF $800,000,000

MUTUAL AID—UNITED NATIONS RELIEF AND REHABILITATION AGREEMENT

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

That it is expedient to introduce a measure to provide:

1. That sums not exceeding eight hundred million dollars ($800,000,000) be granted to His Majesty for the purpose of making war supplies available to any of the united nations, other than Canada, and of fulfilling any obligations arising out of the united nations relief and rehabilitation agreement;

2. That the governor in council may determine the terms and conditions upon which such war supplies are made available to any of the united nations and may require in certain cases payment or repayment in kind of property or reciprocal action or provision of supplies or other direct or indirect benefit as may be deemed appropriate;

3. That the Canadian mutual aid board be authorized to carry out the purposes of this resolution;

4. That the governor in council be empowered to raise by way of loan under the provisions of the Consolidated Revenue and Audit Act, 1931, such sum or sums of money not exceeding in the whole the sum of eight hundred million dollars ($800,000,000) as may be required for the purpose of defraying the expenditures herein mentioned and for purchasing or otherwise acquiring or procuring war supplies in Canada through the agency of the Minister of Munitions and Supply, the principal and interest of any such loan to be a charge upon and payable out of the consolidated revenue fund.

He said: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the consideration of the house.

Motion agreed to.

INCOME TAX

REQUEST FOR EXTENSION OF TIME OF FILING FINAL RETURN

On the orders of the day:

Mr. GORDON GRAYDON (Leader of the Opposition): Before the orders of the day are called I should like to direct a question to the Minister of National Revenue. I have not been able to give the minister notice of the question, but I believe he already has notice of it. It comes from the Retail Merchants' Association of Canada, by whom the suggestion is made, that, because of the scarcity of accountants and auditors, the time for filing the 1943 income tax returns be delayed for a matter of, I believe, two months. May I ask the minister what consideration is being given this request, and whether there are any reasons why it might not be granted?

Hon. C. W. G. GIBSON (Minister of National Revenue): I understand that the representation has been received. It is receiving consideration at the present time but no decision has been reached.

AUDIT OF WHEAT BOARD ACCOUNTS

On the orders of the day:

Mr. E. E. PERLEY (Qu'Appelle): I wish to direct a question to the Minister of Trade and Commerce. Are the accounts of the Canadian wheat board audited by an officially appointed auditor? If so, who is the auditor and when will the last audit of the 1942-43 crop year be made available?

Some hon. MEMBERS: Order.

Mr. PERLEY: I think the minister is prepared to answer that.

Mr. SPEAKER: In my opinion the question is one that does not need an immediate answer.

Mr. GRAYDON: May I suggest to Your Honour, with great deference, that we are nearing the Easter recess and a number of matters such as the one raised by the member for Qu'Appelle have an urgency which otherwise they might not have. I should be glad therefore if Your Honour would, from now until the recess, consider the advisability of a little more latitude towards such questions.

Mr. SPEAKER: I think the point taken by the leader of the opposition merits consideration, but such a question as the one now asked, inquiring about the name of an auditor, is not of sufficient urgency to call for an immediate answer.

Mr. LOCKHART: May I suggest, Mr. Speaker, in addition to what the leader of the opposition has said, that there are a number of accountants in the armed forces who might easily be excused. I would ask the minister to take it up with the proper member of the cabinet to see if something could not be done, because there is a dearth of chartered accountants to prepare corporation statements.

SUPPLY

Hon. J. L. RALSTON (Acting Minister of Finance) moved that the house go into committee of supply.

Mr. GORDON GRAYDON (Leader of the Opposition): Before we go into interim supply there are one or two matters which I should like to bring up at this stage. If it is desirable to postpone my remarks, I have no objection to bringing the subject up later, but perhaps it might be just as well for me to proceed now.

In going into interim supply I realize that there is no necessity for any extended discussion of the resolution which the Acting Minister of Finance is about to introduce. Formal government requests of this kind have been granted time after time and we have no objection to that procedure being followed on this occasion. I take it the minister is asking for one-sixth of the regular civil estimates, including the supplementary estimates which were tabled the other day. The amount no doubt will be smaller than might appear from the total of the estimates themselves, since some of the estimates of the civil departments are statutory.

I hope the minister will be able to give to the house some plan or scheme being pursued as a policy by the government in connection with economies to be applied this year to civil estimates. We should like to know how they compare with last year's estimates. We want to know what is and what is not controllable. We want to know how the interest on the national debt, which, if my memory serves me correctly, was included last year in non-war estimates, compares with the interest in the year before the war, and last year as well.

I would ask the minister at this stage to inform the house as to what plans are being laid down by the government in connection with a post-war taxation policy. That is one of the things we will need to know, so far as our committee is concerned. While economies are essential, and while we are anxious that not a cent will be wasted so far as non-war expenditures are concerned, at the same time I hope that consideration will be given to such matters as increase in old age pensions. We are hopeful that the age will be reduced, that the rate will be increased, and that due consideration will be given to the contributory feature mentioned in the speech from the throne.

The public accounts committee, which deals with matters relating to civil estimates, was set up at the beginning of the session. On February 25, the Prime Minister referred to that committee the public accounts and the auditor general's report. The committee has not yet met. I understand that one of the members of this party has already asked that the committee be convened. I suggest to the government that some other means ought to be made available under which, upon matters being submitted to them for consideration, this committee would automatically convene. I am hopeful that the committee on public accounts will begin its work, and that it will not be necessary on other occasions, as it was last year and has been again this year, to call attention to its failure to sit.

The public accounts committee has a big job on its hands. Many examinations are to be made. It is in that committee that the bulk of the work of examination of expenditures must be done. I refer, of course, to expenditures envisaged by the supply measure

now being introduced. I hope that the government will give some further latitude in respect of the type of material allowed to go before that committee. I remember that last year the public accounts committee was not allowed to deal with the wartime information board. That matter was referred to another committee and was not dealt with.

This party is anxious to facilitate the passage of interim supply. We reserve, however, our right to discuss any items in the various parts of supply as proceedings go on. I believe that is the undertaking which has always been given, and it is one I now ask the acting minister to give. May I caution the minister and the house that at a time like this members of the opposition and members generally must watch with ever-increasing care for waste and extravagance. For that reason we hope that when these estimates come down they will be in keeping with the general spirit of the times.

Motion agreed to and the house went into committee of supply, Mr. McCann in the chair.

INTERIM SUPPLY BILL

Mr. RALSTON moved:

Resolved, that a sum not exceeding $46,331,283.90, being one-sixth of the amount of each of the several items to be voted, as set forth in the estimates for the fiscal year ending 31st March, 1945, 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, 1945.

He said: The proposal this afternoon, as the leader of the opposition (Mr. Graydon) has said, has come to be a part of the regular course of financial procedure owing to the fact that the sittings extend considerably into the new fiscal year, making it impracticable to wait until the whole estimates are passed. The bill which will be founded on the resolution is to provide one-sixth of the items to be voted in the main estimates for the fiscal year 1944-45, which were tabled by the Minister of Finance on February 11, 1944, and which cannot be passed through all stages before the beginning of the new fiscal year, on Saturday, April 1. I think the leader of the opposition was in error when he suggested that this bill is one-sixth of the main estimates, plus the supplementary estimates. It is in fact one-sixth of the main estimates. The further supplementary estimates which were tabled the other day are supplementary with respect to the year 1943-44, and do not apply to the new fiscal year.

This is the usual proportion which is granted at the beginning of the year, and the amount asked is necessary not only to cover salaries and other normal costs of government for the first two months of the year, but also to enable initial advances to outside offices, in order that their operations may be undertaken without delay. There are certain seasonal operations on which the heaviest expenditures occur in the early months of the year, and these have also to be financed. They include agricultural services, surveys and explorations, and sessional expenses of parliament, for which one-twelfth would be inadequate to provide for urgent requirements.

I want immediately to give to the house the undertaking mentioned by the leader of the opposition, namely that it is understood that the passing of this bill will not prejudice the rights and privileges of members to criticize and discuss any item in the estimates when they 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 curtailed or restricted in any way as a result of passing this measure.

My hon. friend has asked for certain things and, in what he has said, has dealt with two or three matters. As the committee will see, the total estimates this year amount to $702,369,000. This represents an increase of $54,455,000 over the appropriations for the current year 1943-44, which were $647,914,000. The committee will be interested in knowing how that increase was brought about. It is accounted for by additions to various expenditures which relate solely to the war or which result directly or indirectly from war conditions. The items are:

Increase of interest on public debt and other debt charges	$75,344,000
Increase in cost of administration of income tax and excess profits tax	1,199,000
Increase in post office service expenditures	2,511,000
	$79,054,000

The first item answers the question asked by the leader of the opposition with regard to the increase in debt charges. This total will be compared with the net increase of this year's estimates over last year's of $54,455,000.

My hon. friend will not expect me this afternoon to go into details of possible economies. I am sure that these matters will be gone into fully when the estimates are being considered. In general, the policy of restricting normal peace-time expenditures to the minimum required for the maintenance of essential services is being continued. It is, however, considered necessary and desirable at this time to make provision for gradually intensifying certain scientific investigations and research as well as preparing the ground

for the orderly expansion of our commercial and other relations at home and abroad. Preliminary steps along these lines are reflected in relevant appropriations throughout the estimates.

My hon. friend has indicated that there should be economy and paring of expenditures, but at the same time he has indicated that there should not be too many economies, that there are some items in connection with which he thinks increases should be made.

Mr. GRAYDON: I just wanted common sense applied.

Mr. RALSTON: My hon. friend mentioned old age pensions. Old age pensions of course will be discussed at the appropriate time when whatever measure there is in that respect is brought down. I am not in a position this afternoon to make any announcement with respect to that. Neither am I in a position to accept my hon. friend's invitation to make an announcement with regard to the taxation policy. That is distinctly a budget announcement which will be made in due course.

Mr. GRAYDON: I was dealing only with the post-war period.

Mr. RALSTON: My hon. friend asked what were the uncontrollable expenditures in these estimates. He brought that up, of course, because he realizes, as we all do, that there are certain expenditures with respect to which economies, or at least paring, cannot be practised. The larger uncontrollable expenditures are as follows:

Interest on public debt and other debt charges	$307,058,000
European war pensions (1914-18)	37,000,000
Government contribution to unemployment insurance fund	15,000,000
Old age pensions	31,526,000
Other pensions and superannuation	5,623,000
Care of returned soldiers (1914-18)	15,584,000
Subsidies and special compensation to provinces	98,876,000
Maritime Freight Rates Act	4,400,000
Sundry other items	3,508,000
	$518,575,000

In the fiscal year 1938-39 interest on public debt and other debt charges required an expenditure of $133,147,000. The present estimates provide for an increase of over $174,000,000 in this item alone as compared with pre-war expenditures. I think that gives my hon. friend the comparisons he wanted. The first was a comparison of the debt charges of a year ago and those of to-day, and in this item the increase is roughly $75,000,000. The other was a comparison between the debt charges of 1938-39 and those of to-day, where the increase is about $174,000,000.

[Mr. Ralston.]

After deducting the total of uncontrollable items, namely $518,575,000, from the total of these estimates, there remains an amount of $183,794,000 from which reductions are theoretically possible. However, even in this sum are many services, such as those rendered to our primary industries, which it would be unwise to reduce even at this time.

I do not think my hon. friend will expect me to go into the matter of the public accounts committee. He knows and the committee knows that each committee is master of its own procedure. I understand that it is in order, as soon as the committee is set up, for any member of it to give the clerk of the committee a notice which I believe the clerk acts upon and calls the committee together to give consideration to whatever business may be before it. He spoke also of enlarging—I think that was the word he used, or something to that effect—the scope of the committee or the type of reference which shall be made to the committee. In this respect I am not in position to say anything further than that the committee has the widest powers in respect to the examination of public accounts. The policy will be adopted which has been adopted in the past of giving the committee full scope in that respect.

Mr. GRAYDON: I was not asking for any enlargement of the powers of the committee. I was asking only that the government accept the reference to the committee of such things as I referred to, such as the wartime information board, which was refused last year.

Mr. RALSTON: I am not familiar with the circumstances regarding the wartime information board. All I can say is that the committee has the right, subject to the usual rules of the house and to the rights of other committees, to consider any matter which is properly the subject of consideration by the public accounts committee and that those subjects are very broad. I do not think I have anything to add to this statement, unless there are some questions hon. members would like answered at this stage.

Mr. DOUGLAS (Weyburn): It was very difficult to hear the minister and I did not catch the figure he gave when he was dealing with uncontrollable expenditure. He referred to the interest on the funded debt, and I believe he mentioned $317,000,000.

Mr. RALSTON: The figure was $307,058,000.

Mr. DOUGLAS (Weyburn): On March 20, as reported on page 1668 of *Hansard*, the parliamentary assistant to the Minister of Finance gave the figure as of January 31, 1944,

as $268,312,935.81. Perhaps the figure the minister gave includes interest on the railway debt.

Mr. RALSTON: Interest on public debt and other debt charges.

Mr. DOUGLAS (Weyburn): That would include interest on railway bonds?

Mr. ABBOTT: The figure of $268,312,935.81 which I gave the other night represented the annual interest payable on the net funded debt as of January 31, 1944. As my hon. friend knows, it is going up all the time.

Mr. DOUGLAS (Weyburn): The minister is suggesting now that the figure of $307,000,000 is the estimate of what will be required for the coming fiscal year which will end March 31, 1945?

Mr. RALSTON: Right.

Resolution reported, read the second time and concurred in.

WAYS AND MEANS

INTERIM SUPPLY

Hon. J. L. RALSTON (Acting Minister of Finance) moved that the house go into committee of ways and means.

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

Mr. RALSTON 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 March 31, 1945, the sum of $46,331,283.90 be granted out of the consolidated revenue fund of Canada.

Resolution reported, read the second time and concurred in. Mr. Ralston thereupon moved for leave to introduce Bill No. 53, for granting to His Majesty certain sums of money for the public service for the financial year ending March 31, 1945.

Motion agreed to, bill read the first and second times and the house went into committee thereon, Mr. McCann in the chair.

Bill reported, read the third time and passed.

WAR APPROPRIATION BILL

PROVISION FOR GRANTING TO HIS MAJESTY AID FOR NATIONAL DEFENCE AND SECURITY —INTERIM APPROPRIATION

Hon. J. L. RALSTON (Acting Minister of Finance) moved that the house go into committee to consider the following resolution:

Resolved, that it is expedient to introduce a measure to provide that a sum not exceeding $850,000,000 be granted to His Majesty towards defraying any expenses or making any advances or loans that may be incurred or granted by or under the authority of the governor in council during the year ending the thirty-first day of March, 1945, for the purposes and subject to the terms, conditions and limitations set out in the resolution on the orders of the day, to provide that sums not exceeding $3,650,000,000 be granted to His Majesty.

Mr. GORDON GRAYDON (Leader of the Opposition): Mr. Speaker, perhaps at this stage, as at a similar stage of the previous resolution, I should say a word or two.

There should be no unnecessary delay in passing this interim war appropriation. A pretty full discussion has already taken place with respect to war departments and there will be an opportunity, of course, to discuss the other departments later; therefore I shall not discuss at any length the resolution now before us.

I would say to the minister, however, that for our protection we make the same reservation as to the position of the opposition so far as the rest of the war appropriation estimates are concerned, and I assume the minister is prepared to give the usual undertaking before this resolution passes.

The resolution deals entirely with matters pertaining to the war. Those in this country and in any others of the united nations engaged in this war who are apt to say in an unguarded moment that the war is nearing its end must now be ranked as real dangers themselves to the cause of the united nations. I am hopeful that this country yet will be aroused from its complacency with respect to the possibility of an early ending of hostilities. Our people have perhaps been depending too largely upon statements which have been made in other parts of the world because, while we have passed the preparatory stages of the war, I think it may properly be said that we still have before us the most challenging and fiercest period of the war. This nation, this government, this parliament have to steel themselves not only against the great period of danger and peril which appears to lie immediately ahead, but against many blows, many losses, perhaps some reverses, before victory finally comes to our cause. I hope there will be an end of complacency among our people. Of necessity plans must be laid for the post-war period, and no one will object to a reasonable amount of legislation of that kind, but we must recognize that the first and the major issue which faces us is the winning of the war. To this end, subject to the right of criticism to ensure full prosecution of the war, this opposition is prepared, as it always has been, to give assistance in full measure to the government.

There are matters in this connection which the opposition cannot ignore if it is to discharge its duty. This leads me to bring to the

attention of the government, and more particularly to the minister who is piloting this resolution, some matters in connection with which remedial action is required in the interests of the preservation and maintenance of our democratic way of life. An answer which was given the other day to a question by the hon. member for Lake Centre (Mr. Diefenbaker) shows that over 42,000 orders in council have been passed by this government since the war broke out. It stretches the imagination to accept the theory that every one of these orders was of the necessary and emergent type that the War Measures Act contemplates. There is a tendency on the part of governments, perhaps during peace, but especially in time of war, under the cloak of urgency, to pass legislation behind the closed doors of cabinet meetings without reference to the people as a whole. I hope the government will take into consideration the feeling which exists across this country in opposition to this movement which has gained so much impetus in the last few years, to legislate by orders in council rather than through parliament. Legislation by order in council is occasionally necessary; certainly there are times of national emergency when it is warranted. But there is an added responsibility upon the government to see to it that the people, when their representatives have not first been taken into consideration, are informed as to what that legislation is, and how the law is affected after the orders in council have been passed. That is not always done. Canadians will stand for this board-room legislation or these semi-baked laws so long as it is necessary for the winning of the war, but if it oversteps that mark popular opinion will rebel against the usurpation of authority and power. One of our jobs as members of His Majesty's Loyal Opposition is to draw to the attention of the government such abuses when they arise.

I shall take only a moment at this stage to give an illustration of board-room bureaucracy in operation. Yesterday's *Globe and Mail* reports a court case in Toronto, having to do with a question of permits for materials which are restricted during war time. Judge James Parker, who was trying the case, said he viewed the offence as a technical breach of a federal order in council, which, he noted, had precipitated a condition of confusion and of misunderstanding. Apparently the secretary of a company had read the *Canada Gazette* to find out whether the law permitted the company to make a certain purchase, and, not having found anything to prohibit it, they went ahead and made the purchase. A case was brought and came up on one or two occasions. It was the subject of an application to the Supreme Court of Ontario, and Chief Justice Robertson, eminent jurist that he is, is reported as follows: He branded this as a very vicious principle, a tendency he noted in government orders in council of reversing a principle of justice and compelling people to come to court to prove their innocence. In this case the trial judge observed that there is confusion in all these orders in council. That is an example of the type of thing against which Canadians rebel when the opportunity is given them to voice their sentiments. I ask the minister and the government, in connection with war preparations, where things of this kind are normally likely to occur, to see to it that legislation by order in council and by war order shall be reduced to a minimum in the interest of the preservation of our democratic way of life.

Having criticized the government in this regard, I want to say a word or two with respect to another matter. In a few short weeks we shall be in the middle of a great campaign, the campaign for the sixth victory loan. Regardless of their views, political or other, the people of Canada can be counted upon to make a full and prompt response. We talk very lightly about equality of service, equality of sacrifice and equality of contribution. I often wonder if those of us who sometimes make these statements fully realize just what the terms actually mean to many of the Canadian people. When the sixth victory loan campaign is opened the Canadian people may well consider this: If everyone in Canada were to give, not just loan at interest, but every material thing we possessed, would anyone in Canada rise and say that that equalled the sacrifice, the service, and the contribution of the men and women who have given their lives or who are prepared to offer their lives upon the altar of sacrifice that we may have freedom, righteousness and liberty in the days that lie ahead?

With this plea to the people of Canada on the eve of the sixth victory loan I say that we ought to consider the position in which we find ourselves, which is one of safety and security, and compare and contrast it with what the No. 1 branch of our citizens overseas are now going through; we should then make up our minds as to what we shall do in connection with the lending of material things to help to see them through.

In conclusion I wish to say this to the government, as I said in a previous speech when the ordinary estimates were before the house. We are prepared to give the government all the cooperation it deserves and needs

to win this war; but we reserve our right to criticize. That is in the interests of the government and in the interests of Canada as a whole. But I do think it means that our responsibility as a party, the government's responsibility, yes, the responsibility of those to the left of us and of all groups in Canada, is a very heavy one, calling for the greatest sacrifice and the greatest effort on the part of all of us.

Mr. T. C. DOUGLAS (Weyburn): Some time ago the Minister of National Defence for Air (Mr. Power) placed an answer to some questions on *Hansard*. He said at that time that he was going to answer some other questions. He has not been back before the house since, and I thought I should take this opportunity of bringing the matter to the attention of the government and asking that the Minister of National Defence for Air make some statement before the house rises for the Easter recess.

The minister placed on *Hansard* at page 1401 an answer to a question by the hon. member for Rosthern (Mr. Tucker) dealing with the closing of certain airports across Canada. Some twenty-nine airports in Canada are to be closed. Since that answer was given there has been considerable discussion in the press, and I am sure that most members have been in receipt of a great many communications asking for further particulars. I think there are one or two things that ought to be stated by the government. It should be pointed out to the public just why the closing of these airports has suddenly been made necessary. Last fall—

Mr. RALSTON: Not suddenly.

Mr. DOUGLAS (Weyburn): Last fall the minister was making frantic appeals for aircrew. There was talk about the need for tremendous expansion of aircrew; that we were at the bottom of the barrel. We find now that there is a surplus of aircrew and that we do not need to train any more because we now have enough not only to take care of additional requirements but to take care of replacements in the event of losses. I know that the government of Canada cannot be fully responsible for that. This government is only a part of a great scheme being carried on by the British commonwealth of nations and the united nations; consequently they have to adjust their plans to the plans of the other members of the British commonwealth. Nevertheless, in fairness to the country generally, the minister ought to make a statement as to what changes in circumstances have brought about the need for closing these twenty-nine airports. He ought to make a statement to the house and to the country as to what basis was used in determining which airports would be closed. Was it on the basis of efficiency, or of proximity to points of embarkation?

In looking over the list I notice that eight airports are to be closed in Saskatchewan, eight in Ontario, eight in Alberta, two in Quebec, two in Manitoba and one in New Brunswick. It can be seen that most of the airports to be closed are in western Canada. Because our industrial facilities are extremely limited, the airports are about the only part of the war activity that has found its way on to the prairies. The closing of airports in eastern Canada would hardly work any economic hardship on the communities involved, because most of these communities are suffering from a lack of housing accommodation. But the closing of airports on the prairies will cause an economic readjustment in the communities involved. I am not complaining about that, because some time or other they have to be closed, and we shall all welcome the day when the war is over and we shall be able to turn the efforts and energies of this country to other purposes. But I do think it would help if the minister made some statement as to the basis used in deciding what airports should be closed and what airports should be kept open. It does seem to those of us who come from the west that it has thrown an unnecessarily heavy burden upon western Canada as compared with other parts of the country.

The government ought to make a statement very soon as to what could be done with the airports. In the town in which I live it will mean that some fifty or a hundred civilians will be thrown out of work. Rumours are going around to the effect that these airports may be reopened for vocational training; that the government will use them for the training of men who are being returned to civilian life. I would favour that. If the government plans to do that, however, the plans ought to be so dovetailed that when an airport is closed as a training centre it will be opened as soon afterwards as possible for the purposes of vocational training. If that were done the fifty or a hundred or more men affected would not be scattered all over the country looking for work. What is apt to happen if these airports are closed is that trained mechanics, electricians, carpenters and firemen will be allowed to move elsewhere looking for work, and then six or eight months later an attempt will be made to assemble a group of trained men to maintain the airports. If they are to be used for some other

purpose, a liaison between the various departments, a dovetailing of their plans, could be arranged so that when an airport is closed for one purpose it can be kept ready to be opened for some other useful purpose. If the government finds that is not feasible, I hope plans are under way to move to some other centre the civilians employed in the airports to the end that their skill can still be made use of by the country in its war effort.

Hon. R. B. HANSON (York-Sunbury): I wish to make some inquiry of the Department of National Defence for Air with respect to one of the airports that has been closed in my province. The minister is not in his seat, but his parliamentary assistant (Mr. Macmillan) is, and I therefore desire to direct my inquiry to him and to ask him if he can tell me why the Pennfield airport was closed and what is proposed to be done about it.

I am not quarrelling with the decision to close the airport. I have no knowledge of the pros and cons of the question, but I would like to give something of the history of this airport. In the early stages of the war, when engineers from the Department of Transport were sent out to scout for probable airports in Canada, the location at Pennfield Ridge was indicated to them as being desirable for the establishment of an airport. I myself took some interest in the matter, because I was familiar with the terrain of the locality. When I found that there had been an adverse report from the engineer of the Department of Transport—I believe his name was McLean, if I remember rightly—I asked him and the deputy minister to come and see me in regard to the matter. They explained to me the conditions of the situation and the reasons which actuated them in making an adverse report upon this location. There were reasons of climatic conditions. Contiguity to the fogs of the bay of Fundy was alleged as a substantial reason why this airport should not be opened. After a good deal of doubt, after consulting with my friend, the member for Charlotte (Mr. Hill), who was more directly interested than I was from the standpoint of representation, I reluctantly came to the conclusion that possibly the report of the engineers was correct.

Imagine however my surprise when a few weeks later the announcement was made that an airport was to be established at Pennfield Ridge, that contracts were let to a contractor in New Brunswick on unit prices, without any competition, at a cost of millions. The history of that airport has been varied. At one time a navigation school was established there for men in the R.A.F.; then one day, coming from New Brunswick, I noticed on a siding alongside the train on which I was travelling a special train loaded with airmen. I made inquiries and ascertained that the whole navigation school from Pennfield was being transferred to a point in the prairie provinces. That was no doubt done for good and sufficient reasons. Subsequently another school was set up there, largely composed, I believe, of personnel of the R.A.F. I am not sure whether there were any of the R.C.A.F. men there, or what the position was. That school has now been closed down but—and this is the point of the remarks I desire to make—just previous to the closing down of the school, I am informed, a contract was let to a contractor without any tenders being called for, on unit prices, which would double the surface areas of the runway, at a cost of half a million dollars. The school is closed and no announcement has been made as to the purpose of this installation, which now must have cost more than $3,000,000. That is a guess on my part. I have no figures available, but judging from what has been done and what I know of the area and the extent of the installation, there cannot have been much less than $3,000,000 spent on that airport. And the work is going on. This half million expenditure has not been suspended. I think some explanation is due to the public and the country.

Mr. RALSTON: Does my hon. friend know—

Mr. SPEAKER: In the matter before the house, which is a motion that I leave the chair for the house to go into committee of the whole, the leader of the opposition (Mr. Graydon) took the opportunity to say that he had a few remarks to make, but they extended further than I thought they would have been. He did indicate, however, at the beginning of his address that he would reserve the right to criticism of such expenditures as may be contained in the amount of $3,650,000,000 that is asked for under the war appropriation.

When the house is going into committee of the whole on such a matter as this, which is by leave of the house, and which deals only with the vote on account asked for by the government, it does so without debate. The feeling of the house, however, is seemingly that this matter is debatable and that all questions may be brought within the range of the discussion. I point out that the right of discussing all these matters which hon. members are now seeking to deal with can be exercised in committee of the whole where the war appropriations are now being considered and also when the bill is before the house.

Mr. HANSON (York-Sunbury): There will be a bill after this.

Mr. SPEAKER: There will be a bill after this, yes.

Mr. HANSON (York-Sunbury): I was about to conclude what I had to say, but I must confess that I do not quite understand the ruling. If Your Honour says that I am out of order, I abide by the decision; but shall I have the opportunity of concluding what I have to say when the bill which is to be founded on this resolution is before the house?

Mr. SPEAKER: This is a resolution antecedent to a bill which provides for interim supply. It is part of the appropriation that is being asked for under the war appropriation measure of $3,600,000,000. All the matters which hon. members are now seeking to discuss can be taken up when the war appropriation bill is under consideration.

Mr. HANSON (York-Sunbury): May I ask this question for information. Does it follow that on this interim bill I cannot discuss these matters now? I do not understand Your Honour to say that. To me it is a strange proceeding if on a bill for interim supply I cannot discuss this matter to-day because it is held that it can be discussed on a later occasion.

Mr. SPEAKER: May I point out that the leader of the opposition, when he was making his remarks, while giving assent to the passing of this bill as an interim supply measure, did reserve the right to criticism of all expenditures that may come under the war appropriation bill.

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

Mr. SPEAKER: It was by leave of the house that this matter is being brought before the house now, but in spite of the reservation made a discussion ensued. I assumed that the reservation made in regard to the resolution would also apply to the bill when it comes in.

Mr. HANSON (York-Sunbury): But Your Honour has not answered my inquiry, and I rise again to ask whether it is out of order for me now to discuss any matter of war expenditure at this stage of the proceedings, or at any stage of the proceedings, for that matter. If it is, it is a limitation of debate that I have never heard of in this house, and I do protest.

Mr. RALSTON: I thought there was general agreement.

Mr. HANSON (York-Sunbury): We were going to give you supply, but surely we have a right to talk on it.

Mr. RALSTON: Not on X Y Z airport.

Mr. HANSON (York-Sunbury): I will not be stifled by that.

Mr. SPEAKER: Interim supply is usually granted by leave of the house and no debate takes place. If the hon. member says that he wishes to speak on matters generally, and proposes to do so, I cannot prevent him from proceeding. But the understanding I gathered from the house and from the leader of the opposition was that the reservation made applied to all matters which could be discussed under the war appropriation bill, and therefore I understood that there would be no debate. But if the hon. member feels that he cannot allow this to pass without discussion, then he has the right to do so.

Mr. GRAYDON: On the point of order may I say, so that there may be no misunderstanding, that last year in connection with interim supply for the war appropriation the debate was of considerable length. I am hoping that that will not be so this time, and I do not believe it will be. The hon. member for York-Sunbury (Mr. Hanson) was discussing only one isolated case. But there does not seem to be any reason why, in respect of an interim supply bill such as this, debate could not take place. In general, however, I think most hon. members would like to have the debate kept within limits, and that is what we are trying to do.

I am quite sure, however, that Mr. Speaker would not think of limiting the hon. member, because I am equally certain that the rules of the house would not so provide.

Mr. SPEAKER: I think I have indicated to the hon. member for York-Sunbury that if the reservation made by the leader of the opposition is not to be maintained in the debate on this resolution, then the hon. member for York-Sunbury, if he wishes, is entitled to discuss the matter, both on the resolution and on the bill.

Mr. GRAYDON: With respect to the reservation made, may I say that it is not restrictive. Rather it is a reservation, so that discussion may take place afterwards. I am quite sure there has never been any suggestion either in the present instance or in respect of previous debates to the effect that a reservation might be regarded as restricting anyone from discussing what he wished to discuss.

Mr. HANSON (York-Sunbury): I desire to make only one observation respecting the point of order. The reservation asked for by the leader of the opposition and the answer given by the minister involved only a preservation of the rights of members to discuss every item, notwithstanding the present

granting of supply. It has no connection whatsoever with the limitation of debate, on matters concerning the war, to the resolution now before us. I think I am right about that. After the leader of the opposition had spoken I had not intended to say anything this afternoon. But the hon. member for Weyburn (Mr. Douglas) discussed a question, and I thought that what was sauce for the goose was sauce for the gander. If he had a complaint to make and was permitted to make it, then I thought this was an opportune time for me to make my complaint, or at least to make an inquiry of the administration respecting a certain matter.

That is all I was proposing to do, and I was about to conclude what I had to say by asking the assistant to the Minister of National Defence for Air (Mr. Power) to make a statement, possibly by to-morrow, at least before the house adjourns for the Easter recess, as to why the Pennfield airport was closed and, particularly, why a huge expenditure of half a million dollars is being made there for the purpose of doubling the runway surface of an airport which is now being closed. I have had letters about this matter. The public are inquiring about it. They cannot understand why this sum of money is being spent, if the airport is not to be used.

That was why I rose to speak and, having said that, I shall resume my seat. I do not ask for a reply to-day.

Mr. SPEAKER: May I point out to the hon. member for York-Sunbury my understanding, namely that the matter of which the hon. member has been speaking anticipates a discussion which, I recall, the Minister of National Defence for Air said would take place. We shall be discussing the same matter when the war appropriation measure is before the committee.

Mr. HANSON (York-Sunbury): The rules of the house are strange; I do not pretend to understand their application.

Mr. MacINNIS: I understand that there is no point of order before the house. This is part of the annual war supply, and we understand that everything contained in a war appropiration resolution is subject to discussion at this time.

Mr. HANSON (York-Sunbury): That is what I thought.

Mr. MacINNIS: That does not mean that I have any wish to debate the subject at this time. If we had come to the conclusion that we were going to let these appropriations pass, we should let them pass. But when the leader of the opposition rises in the house and makes a speech, other hon. members may feel that they, too, should speak, because they also wish to go on record in respect of various matters. So that once the debate is started—and I admit it was quite in order—there is no way of stopping it. Therefore it would be up to the leaders of the opposition in the house to discipline themselves in matters of debate. In that way we shall get somewhere.

Mr. GRAYDON: I do not like that word "discipline".

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

Mr. RALSTON: Mr. Chairman, with regard to the reservation to which reference was made by the leader of the opposition, I should like to give the committee an undertaking similar to that given in connection with interim supply respecting civil estimates. The undertaking is that the passing of the interim supply bill to be founded on this resolution will not prejudice the rights and privileges of members to criticize and discuss fully the provisions of the main resolution. The undertaking is hereby given that such rights and privileges will be respected and will not be curtailed or restricted in any way as a result of passing this measure.

The leader of the opposition referred to one other matter, namely legislation by order in council. I shall not deal with that because, while under the strict rules of the house, it may be quite in order to discuss something germane to the war, at the same time I did think that under the convention which I thought was arrived at, such matters would be discussed on some other occasion.

However, since my hon. friend has mentioned the matter of legislation by order in council—board-room legislation, as he described it—I would say this, that notwithstanding what my hon. friend may think, every effort is made to restrict to the minimum legislation by order in council. May I add only a few words to what he said. His statement was to the effect that we were perfectly justified in passing legislation or, as he said, in legislating by order in council under a state of urgency or emergency. I believe those are the words he used. But there are two other conditions to be kept in mind, namely, states of necessity and security. That of security applies particularly to the department with which I am connected, and it is a factor which makes it necessary at times to proceed by way of order in council. And at times some of those orders in council are not published.

Mr. GRAYDON: It was not the use of them, rather it was the abuse of them with which I was concerned.

Mr. RALSTON: I say to my hon. friend and the committee generally that not in one single instance does the government confess to any abuse of powers given under the War Measures Act for the purposes of proceeding according to the necessities of war. We proceed in that way because we believe, to use my hon. friend's expression, that there are urgencies, emergencies or necessities which require expedition, and also require facilitating and getting on with the job. At times there is the necessity to get things done, when it would be impossible or would take too long to move otherwise. Those are the considerations of which account must be taken by the government in exercising its power.

Mr. HANSON (York-Sunbury): Does the minister consider that the order in council of March 18, 1943 amending the Companies Act, *qua* the incorporation of an aircraft company, comes within the ambit of the limitations he has laid down? That was entirely a civil matter; it was outside of war altogether; it was an abuse of the executive functions of government.

Mr. RALSTON: In the first place, the urgency was apparent because applications were being made for the incorporation of companies. The merits of the case were based upon the necessity of bringing that in as a war measure because of the situation which existed in regard to aviation in this country.

Mr. HANSON (York-Sunbury): Parliament was in session.

Mr. RALSTON: Parliament was in session, but perhaps an example of what would have happened is what is happening this afternoon in dealing with an interim measure with regard to the war appropriation.

Mr. GRAYDON: Considering the amount involved, we have not been very long this afternoon.

Mr. RALSTON: If there had been a full-dress debate in connection with the matter to which my hon. friend referred it might have been some weeks before the necessary legislation was put through to restrict the rights of companies to take out charters.

I come now to the third matter mentioned by the leader of the opposition, which had to do with the text that the war is not yet won. I agree with him, and I have endeavoured to preach as serious sermons as I possibly could along those same lines. When the Minister of Finance introduced this measure in the first place he referred to the same subject, as reported on page 391 of *Hansard,* as follows:

I need not assure the house that this probable reduction in direct war expenditures, like the corresponding decrease forecast by President Roosevelt in connection with United States war expenditures, does not represent any slackening in the war effort, but rather merely the result of the stage of the war and of our preparation for war which has now been reached. The speech from the throne clearly indicated that while the war situation has improved from the point of view of the united nations during the past year, nevertheless the duty of the government is to see that Canada's war effort is firmly maintained until the enemy is defeated in Europe and in Asia. The winning of the war clearly remains the first of all our objectives.

I agree thoroughly with my hon. friend. Too many people are thinking that the war is won, but all they need to do is to ask the men who are in front of Cassino, the men who are on the Anzio beachhead, the men who are on the right flank near Ortona, the men who are in the air flying over Germany and Europe, many of them not coming back, the men who are risking their lives ploughing the seas to protect our men and munitions in transit. All they need to do is to look back at the same period in the last war. They will realize that the situation is not the same. The German is far from beaten; he does not consider he is beaten and he fights on. The Jap is quite willing to die as he always has been in order to maintain his place in the sun. Progress in Italy has been quite gratifying, but we are still 800 or 900 miles from Germany, and there is a long hard road ahead of us in the south of Europe. On the north we find that at the same period in the last war we were in control of probably three-quarters of France, but to-day we have not even a toe-hold on the north west coast of Europe. The whole of Europe still has to be regained.

We pay tribute to our gallant allies the Russians. The fighting of the Russians will probably have to be matched this year. In the far east China is overrun. Hong Kong must be avenged, and Singapore, the Malaya peninsula, the Philippines and those islands in the southwest Pacific must be retaken. That is what we must do before we finally bring our enemies to unconditional surrender. That is quite a task. I refer those who think the war is nearly won to the statement made a day or two ago by the director of aircraft production, that by this time next year we may quite possibly have to be building planes just as hard as we are to-day. Let us hope that that will not be so.

I agree wholeheartedly with the hon. member for Weyburn when he says that we will welcome the day when the war is over and we can turn our energies toward the constructive work of peace. I am glad to hear that

declaration made. We hear complaints when this or that activity is not being kept up. One would almost think that some people wanted the war to continue in order that certain war activities might be kept going. What we want is to end the war just as soon as possible. The sooner we can get it over, the sooner we can relax our efforts. However, the more we intensify our efforts at this time, the shorter will be the war and the quicker and surer the victory that is to come.

The hon. member for York-Sunbury referred to a particular airport. Without accusing him of unfairness, I think he need not have brought that up this afternoon. The Minister of National Defence for Air is not in the house at present. I am sure my hon. friend knew of the circumstances to which he has referred when the estimates of the Minister of National Defence for Air were before the committee. That was the time to have brought them up. I can say to my hon. friend that a statement will be made in due course with regard to that matter. I say to the hon. member for Weyburn that a statement will be made in due course with regard to the matter of closing airports.

I do not know whether any statement can be made as to the method adopted to establish what particular airport will be closed and what particular airport will be kept open, but if any statement can be made I am sure it will be made when the time comes. The hon. member inquired as to what would be done with the airports when they are closed. I am sure that that matter was discussed by my colleague, the Minister of National Defence for Air, when his appropriations were being considered and I assume that there will be an opportunity for further discussion before the session is over.

Mr. DOUGLAS (Weyburn): I was particularly anxious to have a statement made, not necessarily to-day but as soon as possible, about the disposition that will be made of the civilian personnel who might become unemployed.

Mr. RALSTON: There may be an opportunity for them to join the army.

Mr. DOUGLAS (Weyburn): The minister surely does not think the Department of National Defence for Air would employ men who should be in the army. I think the minister is being facetious. I want to tell the minister that every man employed at the Weyburn airport is a veteran of the last war.

Mr. RALSTON: That is splendid.

[Mr. Ralston.]

Mr. DIEFENBAKER: I do not quite understand the attitude taken this afternoon by the minister. It seems that every time a matter is brought before the house the opposition is criticized for endeavouring to have it elucidated.

Mr. RALSTON: My hon. friend seems to have a vivid imagination. I have not heard anyone criticized this afternoon.

Mr. HANSON (York-Sunbury): You accused me of unfairness.

Mr. RALSTON: I did not accuse you of unfairness; I left it to you.

Mr. DIEFENBAKER: We take second place to no one in our desire for the mobilization of this nation for victory, but we seem to be always met with criticism, either direct or veiled, when we bring up matters. The attitude taken is that we should be shoved aside, that when we offer criticism, whether it is constructive or not, we do so for some ulterior purpose. I thought I would see what Sir Wilfrid Laurier said during the last war about the attitude of the opposition. I think his words summarize and epitomize the attitude that should characterize us all in endeavouring to assist the government when it needs assistance. This is what Sir Wilfrid Laurier said on March 10, 1915, as reported on page 834 of *Hansard*:

> . . . it was never intended by me nor by any of those who sit around me that, when we were summoned to parliament and called upon to pass judgment, to sanction or not to sanction the measures brought down by the government, we were to abdicate our judgment and to sit here as recording machines, simply to register the decisions of the government.

I re-echo those words. Sir Wilfrid Laurier has epitomized the attitude of the opposition in war time. He continued:

> We are still of the opinion that the war is the supreme issue—

That attitude is the attitude to-day of those in opposition.

> —but if we believe that in the method of carrying on the war, in the policy proposed by the government, there be errors of judgment or otherwise, then it is our imperative duty to cry halt, to show the mistakes, to point out the true course and to use every endeavour to prevent mistakes from being carried into effect.

That is the attitude of this opposition. There has been altogether too much of an attitude on the part of the government of castigating members of the opposition when we, with the same desire as the government to assist in the winning of the war, bring forward what we believe to be constructive criticism.

Mr. RALSTON: After this rather heated statement by my hon. friend, may we get back to just what we are doing here this afternoon. Nobody has criticized anybody for raising any matter which he felt it was necessary to raise. I have suggested to the hon. member for York-Sunbury that the question raised this afternoon was one that he might have raised when the Minister of National Defence for Air was present, and he had full opportunity of doing that. I am sure that he will not say that he did not have the facts before him that he has now.

Mr. HANSON (York-Sunbury): Yes, I will say that. I did not know that the new contract had been let until after the Minister of National Defence for Air had got his estimates through.

Mr. RALSTON: That is only one of a chain of circumstances which my hon. friend brought forward this afternoon, and I do not think it adds very much to it. All that I have said to my hon. friend is that at a time like this he might have refrained from dealing with a specific problem. However, he was given that right, and that is all there was to it. The hon. member for Lake Centre has quoted Sir Wilfrid Laurier as asserting the right of an opposition to criticize. Is there anybody anywhere in the house who has not freely and fully accorded them that right? All that my hon. friend was doing this afternoon was to set up a straw man in order to knock him down again.

Mr. HANSON (York-Sunbury): You are adept at that yourself.

Mr. RALSTON: What is happening here is this. We have had before us for some time the main war appropriation resolution. Every member has had and will have the opportunity of discussing with the minister interested any item in his estimates. After that is done the resolution is passed. Then we go into committee on the bill, and once more hon. members of the house have the fullest opportunity, if they so desire, to discuss every item of war expenditure in every department that is affected. Has that right been taken away by what we are doing this afternoon? Not in the slightest. But because we need a portion of the money to make urgently needed immediate payments the hon. member for Lake Centre would suggest that some right is taken away from him. He has all the rights I have mentioned. He has his opportunity to discuss every one of the items of the war appropriation on the main resolution itself and again when the war appropriation bill is before the house. But because he cannot have two more opportunities to discuss these items he complains that we are taking away the rights of an opposition which were asserted by Sir Wilfrid Laurier. My hon. friend has a vivid imagination. I repeat that all he is doing is to set up a straw man in order to knock him down again. The opposition still has its full right to criticize any item of the war appropriation, but I thought there was a general understanding that in order that we might get along with the business of the country and the prosecution of the war $850,000,000 out of a total war appropriation of $3,650,000,000 should be granted now so that we could make immediate payments, reserving full rights to the whole house to discuss everything. I say to my hon. friend that I do not think Sir Wilfrid Laurier whose statements he has quoted would ask for anything more than that.

Mr. CASTLEDEN: In spite of what the minister has just said, I still think we are entitled to a statement from the Minister of National Defence for Air or his parliamentary assistant, and it seems to me that when this interim appropriation is being granted the minister for air should at least be here.

In 1943 airports were being erected in different parts of Canada. The province of Manitoba had one at Gimli. The cost of these airports runs into millions of dollars. The minister for air stated in the house on February 29 that some of the airports would be closed, but he did not indicate how many. On March 13, it was announced that twenty-eight airports were to be closed. If there has been a sudden reversal of policy in the matter of airports we should be told about it. There was a conference held at Quebec last August and September which cost this country $366,000. What was the policy then laid down with regard to airports? At that time the minister was still asking for an expansion of the air training programme and he continued to do so until November of that year. This year there was a sudden reversal of policy and it was announced in February that twenty-eight airports were to be closed this year. The people of Canada are asking the reason for this sudden change of policy, and I think they are entitled to an answer. The Canadian people have questioned very little the expending of money to be used in the winning of this war, but they certainly are critical of what appears to them to be unnecessary waste, and I think a statement is due from the minister to the committee.

Mr. SENN: I wish to bring a matter of some little urgency to the attention of the

minister. It will take only a minute or two. I promise that I am not going to be critical; rather I want to be helpful. I would not have brought the matter up to-day except that in view of the Easter recess and our adjourning this week I presume there will not be another opportunity for me to do so.

In the war appropriation estimates of the Minister of Agriculture there is an item, "Subsidies to producers of food products," for a considerable sum. So far the subsidies have been paid over the last two or three years but I am sorry to say that I now have complaints that these subsidies are very much in arrears, somewhat to the embarrassment of the processors of milk, butter and other food products. I would ask the minister to bring this matter to the attention of the Minister of Agriculture with a view to seeing that the subsidies are brought up to date. I am not blaming the officials of the department in any way because I know they are capable, and it is undoubtedly true that complicated calculations have to be made and a good deal of time is required for scrutiny of the accounts. Without further delay, and not to hold up the war appropriation I would ask the minister to see if something cannot be done to ensure that the subsidies are brought up to date.

Mr. RALSTON: I shall be glad to take the matter up at once with my colleague the Minister of Agriculture.

Mr. McNIVEN: May I bring to the attention of the Minister of National Defence a matter of serious concern to Saskatchewan and one over which he has supervision. I assume that some of the money which is now being appropriated will be used to further the plan already well under way. There is an extensive military establishment at the town of Maple Creek, Saskatchewan, where a basic training centre has been established. That is now virtually closed. There are only enough men left in that centre to look after it. Then we have that great thriving centre in the northern part of the province, the city of Prince Albert, where there are splendid barracks and other accommodation, used last winter for experimental purposes. The only ones left there now are a few men to guard the place. Complaints are now coming in to me that the military camp at Dundurn is fast dwindling in importance and that units will shortly be moved from that centre. To cap the climax of a woeful tale, the great metropolitan centre, the queen city of the west, Regina, is fast dwindling in military importance.

[Mr. Senn]

Mr. GRAYDON: I hope only in military importance.

Mr. McNIVEN: Certainly. I bring these matters to the minister's attention, matters that I have frequently brought to his notice during the last three or four years, only to emphasize that in the matter of military development the people of our province have not been given an opportunity to pull their full weight and to give expression to that assistance that they would like to give in military affairs. There seems to be some reason why our province was the last to be developed in that regard and the first to suffer from limitations or restrictions. There are now only some 4,800 troops all told in Saskatchewan, whereas in the neighbouring province of Manitoba there are some 14,000, and in the neighbouring province of Alberta there are over 11,000; and I am informed that there are approximately 225,000 troops in the whole of Canada. I hear rumours that military district No. 12, which has been in existence since 1917 or 1918, is, because of the facts which I have related, about to disappear. In recent weeks, when told of the continued existence of M.D. No. 12, military officers raised their eyebrows in an expression of astonishment that the district was still in existence.

I am making these remarks now because I assume that some of the money which is being appropriated will be applied to continue the use of military structures in Saskatchewan. I hope that what I have anticipated is not the fact, and that continued and greater use will be made of those splendid buildings at Maple Creek and the equally fine buildings at Prince Albert.

Mr. GRAYDON: Who is the member for Prince Albert?

Mr. McNIVEN: One of the finest in this country.

Some hon. MEMBERS: Hear, hear.

Mr. GRAYDON: You will have to get more applause than that.

Mr. McNIVEN: You will find it all through this country, everywhere.

Mr. GRAYDON: I did not.

Mr. McNIVEN: You did not look in the right place.

Mr. GRAYDON: I looked in Regina.

Mr. McNIVEN: I hope also that continued and greater use will be made of Dundurn military camp, which military experts have described to me as one of the finest sites for a military camp anywhere in Canada.

Mr. KNOWLES: Included in the war appropriation measure, one-sixth of which vote we are passing now, is an item to cover the additional five dollars which was granted last year to old age and blind pensioners. It was done by virtue of order in council P.C. 6367, dated August 10, 1943.

There are a number of matters related to this subject in which I am interested, but I wish to ask the government to-day only one question. My question is this: Is consideration being given by the government to raising the ceiling on the total income allowed to old age pensioners so that all of them may get the benefit of the five dollar increase which was announced in the house last July 24 and provided for by order in council on August 10? I realize, Mr. Chairman, that we shall have an opportunity of discussing this matter again when we get to this item under the war appropriation resolution; but although we can discuss the matter then, if the government's mind is already made up when we come to that, it will be difficult to have any change made. My hope is, by asking the question now as it has been asked on a number of occasions, that if consideration is not being given at the present time it will be given in the meantime. It seems to me most unfair that when this five dollar increase was provided for, no change was made in the ceiling; the ceiling was left at $365, and that meant that many old age pensioners do not get the full amount of the five dollar increase, and many received no increase at all. I know that the government of at least one province, Manitoba, has made the very reasonable appeal to the government that this ceiling be raised from $365 to $425 a year. These figures are still so low that one dislikes quoting them; but I say at least that much ought to be done. I wonder whether the government has given consideration to this matter.

Resolution reported, read the second time and concurred in. Mr. Ralston thereupon moved for leave to introduce bill No. 54, for granting to His Majesty aid for national defence and security.

Motion agreed to, bill read the first and second times and the house went into committee thereon, Mr. McCann in the chair.

Section 1 agreed to.

On section 2—$850,000,000 granted for 1944-45.

Mr. KNOWLES: Before the item is carried, would the minister give an answer to the question I asked a moment ago?

Mr. RALSTON: All I can say is that consideration is being given to all aspects of the old age measure, as was indicated in the speech from the throne. I am not in a position to designate any particular feature of it which is having special consideration.

Mr. KNOWLES: If I might point this out, the reference in the speech from the throne was to another plan, of contributory old age pensions, which might be brought in at some future date, when there is agreement among the provinces and the federal government. My question is with respect to the administration of the act which is now in force, and particularly with respect to the sum of five dollars, provided for by order in council, covered by the bill which we are now passing.

Mr. RALSTON: I cannot add anything to what I have said to my hon. friend.

Section agreed to.

Bill reported, read the third time and passed.

LOAN OF $1,000,000,000

TO MEET LOANS OR OBLIGATIONS, TO PURCHASE UNMATURED SECURITIES AND FOR PUBLIC WORKS AND GENERAL PURPOSES

Mr. D. C. ABBOTT (Parliamentary Assistant to the Minister of Finance) moved the second reading of Bill No. 38, to authorize the raising, by way of loan, of certain sums of money for the public service.

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

Section 1 agreed to.

On section 2—Loan authorized.

Mr. CHURCH: I should like to ask a question of the parliamentary assistant to the minister with regard to this section. What is the method of financing this particular transaction of $1,000,000,000? The section authorizes the loan. In what form is the loan to be? It is under the Consolidated Revenue and Audit Act and, as I understand it, some of it is permanent finance authorized in the resolution and consists of the sale of bonds and other securities. Some of it is temporary and refunding finance. Is that not true? Is not some of it to be in the form of treasury notes? We are talking about a billion dollars. The function of an opposition is to find out something about it. The resolution and all of that is all right, but when the bill is before parliament, which binds future generations yet unborn to pay back the loan, it is the duty of the opposition to find out something about the method and manner of financing.

In addition to that, I should like to know what kind of audit we have. As I understand it under the Consolidated Revenue and Audit

Act the auditor general cannot do a thing about this billion dollars. The parliamentary assistant to the minister, if he had been in the house in the last two years when the minister was asked these questions, would have found out that since the war started there has been substituted for the auditor general who audits the revenues and expenditures of the country, and has done so since confederation, a comptroller of the treasury. As long as the comptroller of the treasury finds that any item in this particular billion dollar loan is within the four corners of the resolution on war appropriation expenditure which has been adopted, he has to pass it. As was said by the hon. member for Témiscouata in the last two sessions—and I agreed with him—the comptroller of the treasury is more or less an official of the Minister of Finance. He is appointed by the minister and is under his control. Under the Consolidated Revenue and Audit Act he has not the power which the auditor general used to have in days of peace.

What is the practice with regard to financing? Once upon a time we used to borrow money through the medium of treasury notes. In the last war we got money at the lowest of costs, less than one per cent on treasury notes, from Chase's bank and the National City bank of New York. We borrowed large sums of money at a time when the provinces and the municipalities were in the market and they could not borrow in any shape or form without the consent of the Minister of Finance of Canada. That may or may not have been a good policy. In some respects it was no doubt a good policy; but at the same time I wish to point out what was said at that time. We borrowed money on treasury notes and refunded at a loss. I think it was the present Minister of Finance who preceded the present minister who said that we borrowed money at the rate of less than one per cent. It was in the form of treasury notes and other negotiable instruments. We are in the fifth year of the war and we have a new victory loan coming on. I say that the parliamentary assistant to the Minister of Finance should, before Easter, make a further statement with regard to the resolution which preceded this bill and the coming victory loan. No doubt a part of it will be taken care of by the billion dollars and other matters in the coming fiscal year.

All these victory loans have cost us too much. The method of financing has cost us too much. The public is being charged too much and future generations are being charged too much. The interest rate is too high, and there are a great many unnecessary expenditures incurred in connection with these loans. They will have to be met out of section 2 of this bill which authorizes short term loans and long term loans. Before the Easter recess the finance department should issue a statement in connection with the loan and the matters to which I have referred to-day, because in my opinion this large expenditure of a billion dollars is costing Canada too much. We should have a lower rate of interest, one or one and one-half per cent. No doubt some of the money will come from the Bank of Canada and the chartered and affiliated banks. Some of it may be a straight loan. No doubt different methods will be adopted. In the fifth year of the war I think we can get money at a far less rate of interest than we are paying up to date. Future generations will have to pay for this war. In my opinion a great part of the expenditures which are the basis of this loan is not for war at all. If we go over the various bills which are passed here and if we examine the appropriation bill of one billion dollars we shall find a great many items in them that have nothing to do with war. Wars are won by soldiers, sailors and airmen at the scene of combat, not at home. You do not win wars by a whole lot of expenditure at home on matters that will not do very much to win wars.

What is Mr. Morgenthau, the treasurer of the United States, doing? Recently he took a trip to Italy. While there, he met soldiers and when he came back he told a committee of congress that the soldiers were objecting to suffering in flesh and blood in this war and then being asked to pay for the war when they came home. I think the time has come to put the brakes on the high rate of interest that is being charged and other extravagant costs of loans.

The large standing national committees across Canada are spending money like water in many unnecessary ways.

The parliamentary assistant may smile at this kind of thing, but I can point out to him instances where money has been wasted in connection with loans. I have seen wooden platforms, which the newspapers said cost $10,000, erected for the purposes of parades, speeches, actresses who have been brought from the United States—and that during this strenuous period of the war. More than that, expenditures have been incurred for transportation, staterooms, meals, luncheons, hotel bills, and many other things which the war expenditures committee long ago should have stopped. I do not wish to criticize the national committee; far from it. But I do say that these are expenditures that should be investigated. I have spoken to many business men, some of them connected with

banks and others representing large taxpayers in the city I come from, and this is their view.

I am not one of those who are eager to criticize the loan; not at all. But there are a great many people who are suggesting that the time has come now to cut out the frills, because we are in the fifth year of the war, and it should not be necessary for us to go to Hollywood to get actors and actresses to help us to sell bonds to the Canadian people. I do hope that the loan will be a great success. That hope is shared by everyone else. I repeat, however, that the time has come for us to cut down materially on these unnecessary expenditures. That sort of thing may have been all right in the first two or three years of the war, but the Canadian people realize now that the winning of the war is the main thing. That is our sole objective at the moment. Nothing else matters. There will be no financing of anything, and life itself will be unbearable, if we do not win the war. All domestic matters, however important they may be, must be subordinated to this end. They can wait.

I suggest to the acting minister that some new and more modern method of financing ought to be announced, and it should be an improvement on some of the practices that we have followed in the past. I would point out that this is a changing war. As I say, we are in the fifth year of the war and changes are being made from week to week, from month to month, in machines in the air, on land and on the sea, and in connection with equipment and supplies of various kinds. Many things which were perfectly legitimate, many things which were in every way modern and efficient but a short time ago, have been rendered obsolete by research and scientific investigation generally in this changing war.

I see the financial critic of the opposition, the hon. member for Danforth (Mr. Harris), is here, and I appeal to him, as I do to every other member of the house, to urge upon the government the importance of giving to the public, before the first day of the victory loan campaign, a comprehensive statement along the lines I have indicated from someone in the finance department. I am not saying all this merely to indulge in destructive criticism. I would not have said anything but for the fact that myself I have noticed some of the things I have pointed out. I may say, I noticed some of it in the last war also. My object is to see if we cannot effect some economies.

Mr. MacNICOL: I have just one or two questions to ask. I have forgotten what the debate was when the resolution was before the house. I do not remember whether the parliamentary assistant told us anything of the nature of the public works.

Mr. ABBOTT: I covered that.

Mr. MacNICOL: I notice in the last five lines of section two that the money apparently is to be divided among four different objectives: first, for paying or redeeming the whole or any portion of loans or obligations of Canada; second, for purchasing and withdrawing from circulation from time to time unmatured securities of Canada; and for the third and fourth objects, public works and general purposes. Would the parliamentary assistant tell us something about the provision for general purposes?

Mr. ABBOTT: Gladly. Probably my hon. friend was not in his place when I spoke on the resolution. I made an explanation at that time.

Mr. MacNICOL: If it is in *Hansard,* never mind.

Mr. ABBOTT: I explained to the hon. member for Yale (Mr. Stirling) that the language in this bill is the same as that used in similar bills in the last ten or fifteen years. It is entirely for refunding purposes, maturing securities. This general language is and has been used in all these loan acts going back to the late twenties. I pointed out, at page 1664 of *Hansard,* that while the language is "for public works and general purposes", any moneys received from the proceeds of such loans must be paid into the consolidated revenue fund and can be paid out of that fund only by virtue of parliamentary authority. If my hon. friend will look at page 1664 he will see that I explained the situation in answer to a question asked by the hon. member for Yale.

Mr. MacNICOL: I am sorry to have taken up the time of the committee.

Mr. DOUGLAS (Weyburn): The other evening I asked a question of the parliamentary assistant. I wonder whether he has an answer.

Mr. ABBOTT: My hon. friend asked with regard to the national debt in September, 1939 and 1919. He wished to know whether the federal government at any time during the last twenty-five years has paid off maturing obligations out of assets other than borrowings. I indicated at the time that it had, but I did not have the figures available. I have here

a table showing the funded debt and treasury bills of Canada as at March 31 of each year from 1914 up to January 31, 1944. It shows the amount outstanding of funded debt on those various dates, and annual interest charges. That table will give all the information which my hon. friend asks for, and it would save time if, with the permission of the committee, I put it on *Hansard:*

Dominion of Canada Funded Debt, including Treasury Bills Outstanding and the Annual Interest Charges Thereon

March 31st	Amount outstanding	Annual interest charges
1914	$ 311,833,272	$ 11,162,047
1915	358,659,932	13,075,447
1916	508,000,366	20,499,696
1917	893,208,877	39,098,579
1918	1,472,098,608	71,121,368
1919	2,035,218,097	102,218,489
1920	2,596,816,821	134,559,302
1921	2,520,997,021	130,416,007
1922	2,564,587,671	133,482,113
1923	2,547,105,821	131,476,511
1924	2,504,033,820	128,571,337
1925	2,503,763,169	125,928,071
1926	2,484,410,336	125,108,738
1927	2,439,340,736	123,399,911
1928	2,377,581,086	119,479,400
1929	2,325,413,986	116,843,934
1930	2,250,837,286	112,942,215
1931	2,320,832,286	115,491,955
1932	2,579,238,724	128,188,969
1933	2,715,977,874	132,866,543
1934	2,858,624,524	132,354,806
1935	3,061,955,821	127,074,870
1936	3,265,314,332	128,598,908
1937	3,337,358,832	125,095,381
1938	3,314,558,032	117,062,907
1939	3,385,722,462	119,198,476
1939 (August 31)	3,433,059,035	116,270,698
1940	3,695,705,919	125,575,106
1941	4,371,990,592	133,969,735
1942	5,865,264,293	170,217,845
1943	7,893,478,423	204,895,893
1944 (January 31)	10,561,454,024	266,312,936

Mr. DOUGLAS (Weyburn): Does the table answer the question brought up a moment ago as to meeting maturing obligations?

Mr. ABBOTT: It may interest the committee to know that from 1914 to 1922 the amount of net funded debt outstanding steadily increased. From 1922 to 1930 it decreased. From 1931 to 1936 the debt increased, and from 1937 to 1938 it decreased. Then of course, since the beginning of the war, it has increased; and as these figures indicate, naturally the decrease means that the amounts repaid were paid out of budget surpluses.

Mr. ADAMSON: Would it include the funded debt of the Canadian National Railways as well?

Mr. ABBOTT: No. It includes the direct funded debt.

[Mr. Abbott.]

Mr. QUELCH: While the national debt decreased from 1924 to 1930 and we had a balanced budget during that period, nevertheless the provincial debt increased during the period by about half a billion dollars. The national debt decreased about $250,000,000, but the provincial debt increased half a billion, so that naturally we had, during that period, an increase of $250,000,000 in public debt.

Section agreed to.

Sections 3 and 4 agreed to.

Bill reported, read the third time and passed.

CANADIAN NATIONAL RAILWAYS

PROVISION TO MEET CERTAIN EXPENDITURES AND GUARANTEE OF SECURITIES AND INDEBTEDNESS

Mr. D. C. ABBOTT (Parliamentary Assistant to the Minister of Finance) moved that the house go into committee to consider the following resolution:

That it is expedient to bring in a measure to provide for the refunding of matured, maturing and callable financial obligations of the Canadian National Railways and for the issue of securities guaranteed by the Dominion of Canada in respect of such refunding to an aggregate principal amount not exceeding $200,000,000.

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

Mr. QUELCH: What is the existing rate of interest on the obligations it is proposed to refund?

Mr. ABBOTT: Perhaps I might make an explanatory statement of the bill founded on the resolution. The bill to be based on the resolution is to provide for the refunding of Canadian National Railways bonds in the years 1944 to 1950. The last refunding act was passed in 1938 for the same amount, namely, $200 million. Canadian National Railways bonds that mature or are callable up to the end of 1950 totalled $257,575,477.47. The procedure outlined in this measure is for the meeting of these maturities by either refunding issues or by way of loan from the government. There have been no public issues of Canadian National Railways bonds since the outbreak of war; all maturing issues have been met by loans from the government.

On February 29, 1944, loans by the government to the Canadian National Railways under the refunding act of 1938 totalled $105,719,032.65. Of this amount $24,689,392.53 bears interest at the rate of two per cent per annum, and $81,029,640.12 at the rate of 3½ per cent per annum, all loans made since the

outbreak of war bearing interest at 3½ per cent per annum. There have been repayments applied to loans under the refunding act of 1938, arising out of cash surpluses of the railway company in 1941, 1942 and 1943. Portions of these surpluses applied to such loans totalled $22,622,073.15. The remainder of cash surpluses have been applied to loans for capital purposes. The railway company has not retained any portion of the cash surpluses of 1941, 1942 and 1943, all having been paid over to the government in repayment of loans.

Mr. JOHNSTON (Bow River): Are any perpetual bonds of the Canadian National Railways still outstanding?

Mr. ABBOTT: Yes. As of December 31, 1937, there were outstanding in the hands of the public Canadian National perpetual issues totalling $279,447,713.25. That amount has now been reduced to $15,787,422.86 or, as my hon. friend will appreciate, a reduction of some $260,000,000.

Mr. JOHNSTON (Bow River): What is the rate of interest on those still outstanding?

Mr. ABBOTT: There is still outstanding $1,566,288 of Grand Trunk Railway five per cent perpetual capital stock; $7,228,143.67 of four per cent consolidated debenture stock of the Grand Trunk Railway; $1,002,582 of Great Western five per cent debenture stock, $38,000 of Northern Railway four per cent debenture stock, $2,433 of Northern Railway six per cent bonds, $4,190,964 of Canadian Northern Railway four per cent debenture stock, $972,998 of Canadian Northern Ontario Railway four per cent debenture stock, $470,212 of Canadian Northern Quebec Railway four per cent debenture stock and $315,272 of Quebec and Lake St. John four per cent debenture stock.

Mr. JOHNSTON (Bow River): Apparently quite a few were called in by the government.

Mr. ABBOTT: There were over $260 million called in.

Mr. JOHNSTON (Bow River): What was necessary in order to redeem those on the part of the government?

Mr. ABBOTT: I am advised that was part of the repatriation of securities held in Great Britain.

Mr. HARRIS (Danforth): In 1938, legislation was passed providing that the railways could take care of maturities to the extent of $200 million. There is still some $50 million of the 1938 appropriation available. With the passing of this legislation $250 million will be available. In my opinion it is not necessary that we should ask at this time for $200 million, in view of the fact that we already have $50 million. The very most that the railway company can to-day find available for discharge is $145 million, and I would ask the minister if he would put on record the maturities which are callable and which are being taken care of, or which will be taken care of out of this $200 million.

Just why we should leave a matter of $145 million, over and above the amount mentioned in this resolution, with the railway company to take care of obligations in 1950, I cannot say. I do not understand why we should project ourselves so far ahead. Parliament will be meeting again, and the railway will come forward with its requirements from year to year.

At the same time I make the observation that there are only $15 million of the high cost perpetuals left to take care of. What are the other high cost securities which will be taken care of by this $200 million plus the $50 million they have at present available? Would it not be better policy to clean up the first $200 million before we go ahead with another $200 million, so that we might start on each occasion with a clean sheet.

Mr. ABBOTT: As I said a moment ago, there are $257,575,477.47 of securities which mature or are callable up to the end of 1950.

Mr. HARRIS (Danforth): The depositions given elsewhere are to the effect that there are only $145 million.

Mr. ABBOTT: I have the particulars before me, and I am emphasizing that they mature or are callable.

Mr. HARRIS (Danforth): Yes.

Mr. ABBOTT: I have the data here. It is rather lengthy, and perhaps it would serve my hon. friend's purpose if I were to place the table on *Hansard*.

Mr. HARRIS (Danforth): I think it ought to be placed on *Hansard*. How many of the $247 million are in the years 1948 to 1950?

Mr. ABBOTT: There are $15 million in 1946, $23,754,000 in 1946 and $971,785.73 in 1950.

Mr. HARRIS (Danforth): What is the rate of interest?

Mr. ABBOTT: I can give my hon. friend the list he desires. I have the table here giving details of the issues and maturities of the securities which are maturing or callable up to and including 1950. As I have said, the total is $257,575,477.47. Would it serve my hon. friend's purpose if I placed this table on *Hansard,* with the permission of the committee?

Mr. HARRIS (Danforth): Is any provision made for the negotiating of some of the longer term securities which carry high rates of interest? Has the railroad system the power to negotiate some of the long term securities which go beyond 1950? Is it the policy to discharge those obligations during these times of greater revenues?

Mr. ABBOTT: I am not quite sure that I understand what my hon. friend means when he refers to negotiating the extension of these securities.

Mr. HARRIS (Danforth): Negotiating a discharge of the obligation by paying it off.

Mr. ABBOTT: The railroad has authority to pay off maturing obligations. Many of the securities referred to in this table which I am placing on *Hansard* do not mature prior to 1950, but they are callable prior to that date. The reason for asking for statutory authority to enable the railroad to make refunding loans is to enable the railroad, if market conditions are such that it would be advantageous to do so, to call in high coupon securities and refund with lower coupon securities. The table follows:

Canadian National Railway Company Maturing or Callable Bond Issues, 1944-1950

Date	Issue	Int. Rate per cent	Where payable	Amount outstanding
July 1, 1969 (callable July 1, 1944)...	Can. Nat. Rly. Dom. gtd.	5	Canada, London or New York	$ 56,704,000 00
Dec. 15, 1950 (callable Dec. 15, 1945)..	Can. Nat. Rly. Dom gtd.	3	Canada	50,500,000 00
Jan. 15, 1946.....	Can. Nat. Rly. Dom. gtd.	2¼	Canada	15,000,000 00
July 1, 1946.....	Can. Northern Rly. Dom. gtd.	6½	New York	23,754,000 00
Feb. 1, 1952 (callable Feb. 1, 1948)...	Can. Nat. Rly. Dom. gtd.	3	Canada	20,000,000 00
Feb. 1, 1953 (callable Feb. 15, 1948)..	Can. Nat. Rly. Dom. gtd.	3	Canada	25,000,000 00
Oct. 1, 1969 (callable Oct. 1, 1949)...	Can. Nat. Rly. Dom. gtd.	5	Canada, London or New York	57,728,500 00
Apr. 2, 1950.....	Can. Northern Pacific Rly. Gtd. by prov. of British Columbia	4	London	971,785 73
Apr. 2, 1950.....	—do—	4½	London	1,165,819 74
July 1, 1950.....	Grand Trunk Western Rlrd.	4	New York or London	6,551,372 00
Oct. 1, 1950.....	Montreal & Province Line Rly.	4	New York	200,000 00
				$257,575,477 47

Recapitulation:

Payable in Canada	$110,500,000 00
Payable in New York	23,954,000 00
Payable in London	2,137,605 47
Payable in Canada, London, or New York	114,432,500 00
Payable in London or New York	6,551,372 00
	$257,575,477 47

Mr. CHURCH: The resolution provides for the refunding of matured, maturing and callable financial obligations of the Canadian National Railways and for the issue of securities guaranteed by the Dominion of Canada in respect of such refunding, to an aggregate principal amount not exceeding $200,000,000. The volume of business of the railroads during this war in terms of trains, coaches, rolling stock, freight, ocean, and land services such as hotels, is sky-high as compared with the volume of business in the last war. The railroads of Canada and the United States have been making considerable money out of this war. A pamphlet was issued by the national city bank of New York, which has large investments in United States and Canadian railroads, outlining the comparison in traffic in the two wars and the methods of financing.

A return was made to the house last session showing the earnings of the two railroad systems during the present war. Up to the close of 1940, the first fifteen months of the war, the Canadian National Railways, a public utility, had made $2,500,000, and I believe the earnings of the other railroad were about $2,750,000. These railroads have made more in fifteen or sixteen months of this war than they did during the whole of the last war.

Some of these securities should have been retired out of earnings. Why should we pyramid interest and principal sky-high and not pay something off? The earnings are so large that they could easily have paid off half of these maturing and callable financial obligations. The day of payment is being postponed and the interest debt for generations yet unborn will be fabulous.

We have the committee on railways and shipping which used to be set up by means of a resolution. However, at the last session and the session before, the committee was appointed simply by not giving notice in votes and proceedings. It is now a standing committee and no resolution needs to be passed by the house. When a resolution was presented there was an opportunity for debate and the company had to put their cards on the table. Now all we know about it is a resolution like this one, to pay in the future. If it is passed a report will come in the dying days of the session from this useless select committee. I doubt whether any of the reports were concurred in last session.

Some of the obligations herein were incurred during the days when the company had very big eyes, when they were building branch lines and duplicating hotel and other ocean and land services without any hope of ever being able to pay the fixed charges. Ontario is the forgotten province as far as rolling stock and other matters are concerned. Some of the subsidiaries which operate in the United States have the best of rolling stock and equipment, but all Ontario gets are the old rattle-box cars with which to move troops and civilians. The troops, as soldiers, should be given cut rates, but this public utility and government railway is charging very high rates. No week-end rates for soldiers are given even in the Toronto district or in the district represented by you, Mr. Chairman.

This is not the kind of government financing we should have in the fifth year of the war. Part of these obligations should be paid out of earnings. I doubt whether there is sufficient security for many of the subsidiaries of this company. The hon. member for Lincoln (Mr. Lockhart) is familiar with one subsidiary of this railway. There are two old boats running between Toronto and Port Dalhousie. Fifteen or twenty years ago one of these boats was not considered good enough to run between Prince Edward Island and the mainland. But it is dumped down in Toronto and is now considered good enough for Ontario.

The members who represent Ontario do not act as a unit like the maritime members and those who come from the Pacific coast or the prairies. Ontario has to put up with these things because nothing is said here about them. There is no doubt that the railroads have made a magnificent and glorious showing in this war. The load in passengers and freight they have been carrying constitutes a marvellous record. I submit that the railways and shipping committee should be asked to make a report on this particular matter because if they are going to function, they should function properly.

The hon. member for York-Sunbury (Mr. Hanson) was absolutely right when he suggested that the auditors' report should be referred to the committee. Parliament appoints the auditors and they are supposed to be responsible to parliament, but we never see the audit. How many members of this House of Commons have seen it? I know I have never seen it. This committee should be set up the first or second day of the session. This railroad has been making tremendous earnings and it should be giving some of them back to the people who will have to pay this debt. Some relief should be given from the high rates that are being charged, especially at week-ends. There should be relief granted in freight rates also. Our soldiers and civilians should not have to ride in the rattle-boxes in which they often are forced to ride while United States subsidiary lines, on which a large sum of money has been spent by this

government, are using luxurious trains. I have seen them coming into the depots over the right of way. We should have details of expenditures by the railways. After all is said and done, who can answer any questions about this railway? If you ask for information about it, you are told that it is not in the public interest to give it. The railway is investigated secretly by a committee, which brings down a report a day or two before the session ends.

There should also be an improvement in the method of financing. They are paying from 1 to 1½ per cent too much in interest rates. The loans which have been made should have cost the country less through a better interest rate.

Mr. HARRIS (Danforth): I endorse a great deal of what the hon. member who has just taken his seat has said. I would like the minister to confirm the figure that he gave a moment ago as to the rate of interest in refunding Dominion of Canada securities.

Mr. ABBOTT: The loans which are now being made by the government are at 3½ per cent interest.

Mr. HARRIS (Danforth): I would make this observation. There is a loan of $20,000,000 callable February 1, 1948, and due February 1, 1952, at three per cent; another one due February 1, 1953, callable February 15, 1948, for $25,000,000. Is it the intention that these loans will be called on the callable date in view of the fact that we have to pay 3½ per cent interest now?

Mr. ABBOTT: I cannot say whether they will be called on the callable date. Obviously that would depend on the interest rate prevailing at that time. If the interest rate then was the same as it is to-day, 3½ per cent, I think it is fair to say that they would not be called. If on the other hand, the rate should be two per cent, as it was before the war, perhaps it is a fair assumption that they would be called.

Mr. HARRIS (Danforth): That was the deposition I wanted to get from the parliamentary assistant that they would not be called, because over and above the amount of the interest rate, there is the cost of issuing new securities, brokerage and what not, which runs into sizable figures.

Mr. KNOWLES: Can the parliamentary assistant give the total debt of the Canadian National Railways, including bonded indebtedness and any moneys owing to consolidated revenue fund? I understand the practice has been followed during the war of lending money directly from consolidated revenue to the Canadian National Railways to make it unnecessary for them to sell bonds in competition with the government. Would the parliamentary assistant also give the comparative figure before the war to show what the trend is?

Mr. ABBOTT: I am afraid I have not comparative figures to show what it was before the war. I can give the total funded debt of the Canadian National Railways as of December 31, 1943, and the other information could be given when the bill is in committee. The total funded debt as of December 31, 1943 was $744,232,472.60, made up as follows: Guaranteed by the Dominion of Canada, $685,290,924.76; guaranteed by the provinces, $2,786,056.20; unguaranteed, $33,479,491.64; unguaranteed serial equipment issues, $22,676,000; totalling the figure I have mentioned.

Mr. DOUGLAS (Weyburn): That is only funded indebtedness?

Mr. ABBOTT: Yes.

Mr. DOUGLAS (Weyburn): It does not include any money the railway borrowed from the government, does it?

Mr. ABBOTT: I think I would have to ask my hon. friend to let that question stand.

Mr. DOUGLAS (Weyburn): What is the amount of interest paid by the railway per annum?

Mr. ABBOTT: The total annual interest charges as of December 31, 1943, were $30,725,526.

Mr. FRASER (Peterborough West): When will this loan be made?

Mr. ABBOTT: This is an enabling measure, similar to the act passed in 1938, to authorize the railway company to issue from time to time refunding loans to take care of other issues which mature or are callable between now and the end of 1950.

Mr. FRASER (Peterborough West): The rate is 3½ per cent? Does that interfere with the victory loans? These railway issues are guaranteed by the government.

Mr. ABBOTT: At the present time that is the interest rate being paid by the railway on advances made by the government. It is somewhat higher than the rate which the government itself is paying for the money it is borrowing through the victory loans.

Mr. McNEVIN: What amount of profit did the railway turn into consolidated revenue fund this year?

Mr. ABBOTT: I will answer my hon. friend in this way. As I stated in my opening

remarks the cash surpluses for 1941, 1942 and 1943 have been applied to the extent of $22,622,073.15 in repayment of loans made by the government, under the refunding act of 1938. The surpluses for those three years aggregate—I have not the exact figure here—in excess of $60,000,000. The balance of approximately $40,000,000 has been applied to reduce sundry advances made to the railway by the government for capital purposes. The point I emphasized before was that the railway company has not retained any portion of its surpluses during those years.

Resolution reported, read the second time and concurred in. Mr. Abbott thereupon moved for leave to introduce Bill No. 64, respecting the Canadian National Railways and to provide for the refunding of matured, maturing and callable obligations.

Motion agreed to and bill read the first time.

EXCHEQUER COURT ACT

AMENDMENT TO PROVIDE FOR APPOINTMENT OF THIRD JUDGE

The house resumed from Friday, March 24, consideration in committee of bill No. 35, to amend the Exchequer Court Act—Mr. St. Laurent—Mr. McCann in the chair.

On section 2—Power to appoint a deputy judge.

Mr. CHURCH: I should like to know from the Minister of Justice whether the only change is the adding of another judge to the court?

Mr. ST. LAURENT: That is all.

Mr. CHURCH: I think another judge is necessary. We all know that after the last war a large number of contracts were involved in proceedings before the court, and many years elapsed before they were all settled. The government has announced a new policy by which a certain percentage is paid—I suggest fifty per cent; in the United States, I believe it is sixty per cent, which will mean a great deal more work for the court. As I understand it, this court is excluded from the provincial field as regards royal commissions appointed by provincial attorneys general under the Inquiries Act, which is both federal and provincial in its application, and these judges will not be liable for commission duty, whether federal or provincial.

Mr. ST. LAURENT: I have not looked at the exact terms of the statute, but I do not know of any case of a judge of the exchequer court having been requested to act as a commissioner under the Inquiries Act; and no change is being made by this bill. But I should need to look at the terms to see whether the president and a puisne judge of the exchequer court would be competent to be called. I know of no case in my experience at the bar where it has happened.

Mr. CHURCH: It seems to me that in view of the work which the exchequer court is doing, and which is largely financial, business and commercial, there should be a much higher scale of fees. The revenues of the court should be very considerable in view of the magnitude of the contracts and other business involved, and so far as I know they have not been raised, at any rate very much, since the last war. Surely the country should not have to pay the whole of the bill for a court like this. In my opinion it should be self-sustaining.

Mr. ST. LAURENT. A great many cases which come before the exchequer court are claims by the subject against the crown, and I do not know that it would be proper to increase the scale of fees which the subject would be called upon to provide when making a claim against the crown. There are other fields of jurisdiction where, perhaps, the suggestion of the hon. member could very well be considered, and I should be glad to take it up with the officers of my department. But I should not like to give the impression that there is any intention of increasing the cost to the subject when prosecuting a claim against the crown.

Mr. DIEFENBAKER: The services of exchequer court judges have been used on occasion on royal commissions, have they not? As a matter of fact, they have been used on provincial royal commissions as well as federal royal commissions. I thought, in view of the statement made by the minister, there might be some misunderstanding in that connection. I have here a return, No. 182 of 1941, dealing with the question of royal commissions, a matter which I brought up the other evening. From 1923 to the date of the return there were, I believe, eighty-one royal commissions set up upon which judges have sat, and some very large fees have been paid to judges in this connection in addition to their salaries. In one case the fees during the period amounted to over $40,000, and in one or more other cases exceptionally large fees or allowances have been paid. So far as the exchequer court is concerned, at least two commissions—one under the Department of Fisheries, another under the Department of Labour—were presided over by a judge of the exchequer court. I think, having regard to the fact that there is such a considerable body of work to be done by judges, they should not

be utilized in connection with royal commissions. According to the last figures available the number of judges in Canada is 278. Some of them are sitting on government boards, others on commissions and the like. I again bring to the attention of the minister the need of making a provision that, in the interests of their own independence, if for no other reason, judges should not be allowed to accept extra allowances by occupying positions on royal commissions. This is a practice which is productive of considerable criticism. The other night mention was made of a situation in the province of Saskatchewan. I suggest to the minister that he give consideration to making provision that the judiciary shall be used exclusively as a judiciary and that its services shall not be used in connection with commissions, particularly those involving political considerations of any kind.

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

Mr. DOUGLAS (Weyburn): No. It is six o'clock and I do not see any reason why we should go on. Would the minister entertain an amendment to this bill along the lines I suggested the other evening? It seems to me, if another judge is required in the exchequer court, because of the extra business during the war and in the immediate post-war period, that a time limit should be set. An appointment could be made for, let us say, three or five years, and if at the end of that time it were found that there was still sufficient work to warrant another judge in the exchequer court a bill could be passed by the house for another period. What we are doing now is creating a position in perpetuity. If, after the war, we should come to a time when there would be a small amount of work in this court we shall still have this position, and it is very unlikely that we shall reduce the size of the exchequer court to what it was in the days before the war when we had only two judges. Would the minister consider that suggestion before the legislation is finally passed?

Mr. ST. LAURENT: I should not like to undertake to find a judge who would accept an appointment to the exchequer court for any period such as the hon. member mentions. The experience of the last several years has shown that there is more war work there than the two judges of the court can perform as expeditiously as those who have to come before the court would like to see generally; and it has been felt that it would be in the public interest to provide an additional judge in that court. I do not think it would be possible to do so if the legislation were to have a limitation as to time. I do not think the House of Commons would be well advised to try to determine at this time what should be done a few years hence. I know it is always difficult to reduce the complement of a court; but should a situation arise in the future when Canadian citizens and those having claims against the crown or those against whom the crown has claims felt they no longer required a court to deal with such matters, the matter might properly be brought up, but I should not like to put a limitation upon a bill of this kind, if as is generally recognized there is requirement for an additional judge.

Section agreed to.

Bill reported, read the third time and passed.

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

Thursday, March 30, 1944

The house met at three o'clock.

ORDERS IN COUNCIL

AMENDING, SUSPENDING OR ALTERING OPERATIONS OF STATUTES

Right Hon. W. L. MACKENZIE KING (Prime Minister): I table return to an order moved by the hon. member for Lake Centre (Mr. Diefenbaker) for a copy of all orders in council passed since July 15, 1943, which amend, suspend or otherwise alter the operations of statutes, and so on. The hon. member will remember asking me last year if the government would not consider having these amendments presented in a form which would make them readily available to members of the house. I am glad to be able to inform him that this has been done. I would inform my hon. friend and other hon. members that a consolidated table of contents and reference index published quarterly by the privy council office as an appendix to the weekly publication "Canadian War Orders and Regulations" contains these various amendments to statutes. This is a quarterly consolidation including specific reference to statutes amended, suspended or referred to by order in council. The latest consolidation covers the last quarter of 1943. The consolidation for the first quarter of 1944, up to March 31, 1944, will be published shortly.

PRIVATE BILLS

SENATE BILLS—FIRST READINGS

Bill No. 55, for the relief of Julia Menard Mills.—Mr. Hill.

Bill No. 56, for the relief of Vera Esteri Seppala Vuorimies.—Mr. Hill.

Bill No. 57, for the relief of Violet Magdalen Johnson Overall.—Mr. Hazen.

Bill No. 58, for the relief of Adélard Bélanger.—Mr. Hill.

Bill No. 59, for the relief of Edna Lyall Burgess Lambert.—Mr. Boucher.

Bill No. 60, for the relief of Barbara Hellen Smith Dodds.—Mr. McIlraith.

Bill No. 61, for the relief of Ellen Margaret Doris Sheehan Décary.—Mr. McIlraith.

Bill No. 62, for the relief of Kathleen O'Raw Major.—Mr. Fulford.

Bill No. 63, for the relief of Vernon Oswald Marquez.—Mr. Fulford.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

PRICES—FARM IMPLEMENTS AND REPAIR PARTS

Mr. TUCKER:

1. Has a ceiling price been imposed upon farm implements and repair parts for same?
2. If so, when was it imposed?
3. Has it been enforced in regard to all farm implements and spare parts whether manufactured in Canada or imported?
4. What relationship does the present price of farm implements and repair parts bear to prices for same on September 10, 1939?
5. What relationship does the present prices of staple farm products bear to, (a) the average price of same in 1926-29 inclusive; (b) to the price of same on September 10, 1939?
6. What quantities of farm implements and repair parts will be released for sale in Canada during the year 1944?

Mr. CHEVRIER:

1. Yes.

2. Prices of farm implements and repair parts were frozen at the level of those prices in effect during the basic period—September 15 to October 11, 1941—with a few exceptions, covered by Order No. A8, issued to permit slight revisions in prices.

3. Yes.

4. The wartime prices and trade board has only controlled retail prices of farm machinery effective during or subsequent to the basic period—September 15 to October 11, 1941—and it has not made any investigation as to prices charged for farm implements and repair parts prior to that time. It is known that, apart from a few adjustments made under order A8, farm machinery prices have not risen since the basic period.

5. (a) The Dominion Bureau of Statistics index of farm products' prices as of the week ending March 17, 1944, shows an increase of 3·9 per cent over the average for 1926 to 1929.

(b) The Dominion Bureau of Statistics index of farm products' prices as of the week ending March 17, 1944, shows an increase of 63·0 per cent over the average for September, 1939.

The farm products index covers milk, eggs, grains, livestock, etc., that is, the main staple farm products and it is based on returns received by farmers so that the present prices include subsidies and other government payments now being paid to farmers on milk, barley, oats and pork. No index was prepared for September 10, 1939. The average for the month of September is taken which would differ only slightly from the prices on September 10.

6. Approximately 80 per cent of the average of the total tonnage of farm implements released in the years 1940 and 1941 will be available during the calendar year 1944 and 156 per cent of one-half the average of repair parts distributed in the years 1940 and 1941 will be available during the year 1944.

MUNITIONS AND SUPPLY—EXPENDITURES IN SASKATCHEWAN

Mr. BENCE:

What is the total amount of money spent by the Department of Munitions and Supply in the province of Saskatchewan since the commencement of the present war?

Mr. CHEVRIER: Please refer to Report on the government-financed expansion of industrial capacity in Canada, as at December 31, 1943, tabled by the minister. Reference page 1691, *Hansard*, March 21, 1944.

Note: It is impossible to give a money breakdown by provinces, that will properly reveal the extent to which each province is participating in war orders made possible by (a) government-financed expansion of industrial capacity, (b) the operations of crown companies, (c) by ordinary award of contracts.

RATIONING—PAYMENTS TO BANKS

Mr. HOBLITZELL:

1. What is the total of payments or remuneration paid to the chartered banks for services in connection with the handling of coupon rationing?
2. What period does this cover?
3. What is the basis of payment?
4. Is any of this work being done by the small business man or firms?
5. If not, what is the reason for their not being allowed to do it?

Mr. RALSTON:

1. The total paid to date to the chartered banks of Canada for services in connection with the handling of ration coupon banking is $575,046.84. In addition the Montreal City and District Savings bank and La Caisse d'Economie de Notre Dame de Quebec have been paid $2,729.55 and $1,389.32 respectively.

2. This covers the period from March 1, 1943 to January 31, 1944.

3. The wartime prices and trade board reimburses the chartered banks monthly on the basis of staff salary costs plus specific out-of-pocket expenses incurred as determined by time studies conducted by the banks in cooperation with the board.

4. Every consumer, and every person engaged in the business of manufacturing, processing, or selling rationed foods handles coupons or some other form of ration document, but only the banks supply the service of coupon banking, which is a service provided by the government for the purpose of relieving traders from handling coupons in bulk.

5. Coupon banking is a specialized banking service.

RATIONING—GASOLINE—ARRANGEMENTS WITH BANKS

Mr. HOBLITZELL:

1. Has the government made any arrangement with the Canadian banks with reference to the gasoline coupon rationing?
2. If so, what arrangements have been made?
3. What is the particular function or the service they render in this regard?
4. What remuneration will they receive?
5. What is the basis of payment?
6. Is any of this work being done by the small dealers distributing gasoline?
7. If not, what is the reason for their not being allowed to do so?

Mr. CHEVRIER:

1. Yes.

2. Arrangements have been made with the chartered banks to open gasoline rationing coupon bank accounts for all gasoline dealers selling 12,000 gallons or over per annum of graded gasoline and to all bulk stations.

3. The banks, by intercepting gasoline rationing coupons from dealers and bulk stations, will take into custody and dispose of great numbers of coupons which, during the past year, have attracted the attention of racketeers and dealers in the black market.

4. See answer to No. 5. No remuneration has been paid as yet.

5. The basis of payment is as follows: 25 cents per account opened; 6 cents per debit or credit entry; 12 cents per 1,000 coupons handled. The basis of these charges is subject to review following an analysis to be made within a few months after gasoline rationing coupon banking becomes effective.

6. No.

7. The object of gasoline rationing coupon banking is to take the coupons out of the hands of the dealers as soon as possible.

MOUNTED POLICE—PENSIONS, ETC.

Mr. HANSELL:

1. Respecting assistance to ex-members of the R.C.M.P., is there any fund, apart from pension or retirement, available for assistance to aged members of the force who are not on pension and have been rendered indigent?
2. If so, what is this fund, and how is it administered?
3. Is there any system of assistance in hospitalization for ex-members of the R.C.M.P.?

Mr. ST. LAURENT:

1. No. None, except that established by section 21 of the R.C.M. Police Act, which is known as the Royal Canadian Mounted Police benefit trust fund, and which is composed of awards, portions of fines, seizures, etc., granted to serving members of the Force. From this fund, grants may be made, under the authority of the Minister of Justice, in accordance with regulations laid down by the governor in council in the following cases:

(a) to any member of the force who, through disability, not due to his own fault, is discharged therefrom without being eligible for pension or gratuity, a sum not exceeding $200; or to any ex-member of the force who is in receipt of pension or compensation not exceeding $500 per annum and who, by reason of sickness or any cause not due to his own fault, is financially embarrassed, a sum not exceeding $200.

(b) to any member of the force, who by reason of sickness or accident to a member of his family, or from any cause not due to his own fault, is financially embarrassed, a sum not exceeding $200, but any payment for this cause shall be made only when for the direct benefit of the family.

(c) to any member of the force, in recognition of outstanding acumen, zeal or resourcefulness in bringing an important investigation to successful conclusion, a sum not exceeding $200.

(d) to any member of the force, as recognition of any act of special endurance or bravery in the execution of duty, a sum not exceeding $200.

(e) to any person designated by the minister, an amount not exceeding $75, to be applied on account of the burial expenses of any ex-member of the force who dies without leav-

ing sufficient means to provide for the cost of reasonable burial expenses, if no other source is available from which the necessary moneys may be obtained.

(f) if a member of the force dies in the service and his widow and/or children may not be granted a pension or gratuity, if in need of financial assistance, there may be paid an amount not exceeding $300 in any one year to the widow, and to each child under fifteen years of age an amount not exceeding $60 in any one year.

(g) for the purchase of recreation and mess equipment for the general benefit of any post or detachment, an amount not exceeding $3 per head in any year, the distribution to be based on the average strength of personnel for the post or detachment.

(h) to members of the force generally, a lump sum annual payment, the amounts, basis of distribution and the date to be determined by the Minister in control of the Royal Canadian Mounted Police.

(i) for the purpose of purchasing clothing, comforts, smoking material, or similar articles, for any members of the force on leave from the Royal Canadian Mounted Police, or who leave that force with the definite intention of proceeding on active service either in the naval, military or air forces of His Majesty, an amount not exceeding $3 per head, in any calendar year.

(j) to any member of the force who sustains a loss or damage to personal effects or property in the performance of duty whilst attempting to make an arrest, or as the result of a motor-car accident, or any other cause or similar circumstance while on duty, and in which the Canadian government may either be unwilling or unable to reimburse him—an amount not exceeding $100.

(k) to any member of the Royal Canadian Mounted Police who may be discharged from the force while still in hospital or who may be invalided from the force and who may still require medical and hospital treatment, if he is unmarried, a grant not exceeding $150 in any one year but if he is married, an amount not exceeding $500 in any one year and to each child under fifteen years of age an amount not exceeding $60 in any one year, irrespective of the fact that the member of the force concerned may be eligible for a pension.

Each case in which a grant is recommended is investigated by the force and is dealt with according to its merits and within the limits of the regulations set by order in council.

As the Royal Canadian Mounetd Police benefit trust fund only began in 1921, it is not yet twenty-three years old, and it is obvious that any ex-member of the force who left it more than twenty-three years ago did not make any contribution, either directly or indirectly, to the fund.

2. Answered by No. 1.

3. No, except as stated in Nos. 1 (a) and 1 (k).

M. & C. AVIATION COMPANY, PRINCE ALBERT

Mr. DIEFENBAKER:

1. What is the amount of capital assistance or other allowances granted to date to M. & C. Aviation Company Limited, Prince Albert, Saskatchewan?

2. How much has been paid to date to the said company for aircraft repair and overhaul by the Department of Munitions and Supply?

Mr. CHEVRIER:

1. The federal government built and equipped a plant for overhaul and repair at Prince Albert at a cost of $206,971.72. This plant and equipment is wholly owned by the Canadian government. M. & C. Aviation Company Limited were given a contract for the repair and overhaul of aircraft, and the facilities of the foregoing plant have been made available to them to carry out the work.

2. Payments for work on the overhaul and repair of aircraft are not made by the Department of Munitions and Supply. The Department of National Defence for Air have paid this company for such work $2,490,319.67.

SUBSIDIES TO WESTERN COAL OPERATORS

Mr. CASTLEDEN:

What reduction in the retail price of coal will result from the proposed payment of subsidies to western Canada shaft coal operators?

Mr. CHEVRIER: No reduction in price is expected to be made in the retail price of coal as the new subsidies to Western Canada coal operators only reimburse those who are in a loss position for limited out-of-pocket expenses incurred and which have not been taken care of by means of price increases for coal.

WHEAT PRICES

Mr. DONNELLY:

1. What price is paid to producers for their best grade of wheat, 1943 crop, by the grain regulating board of Argentina, basis Buenos Aires?

2. What is the export price paid by the grain regulating board for the same wheat, basis Buenos Aires?

3. What price is paid to producers for their best grade of wheat, 1943 crop, by the Australian wheat board, basis country sidings?

4. What is the price paid for the same grade of wheat for home consumption, basis f.o.b. Williamstown, Australia?

5. What is the initial advance paid by the Canadian wheat board for the 1943-44 crop, basis Fort William?

6. What is the commercial export price to countries not under Canadian mutual aid, basis No. 1 northern, Fort William?

Mr. MacKINNON (Edmonton West):

1. Price paid to producers by the grain regulating board for the 1943 crop, bulk, basis Buenos Aires: 8 pesos per quintal (64·8 United States cents per bushel).

2. Export price quoted by grain regulating board on January 5, 1944, for 1942 crop wheat, bulk, basis Buenos Aires: 10 pesos per quintal (81 United States cents per bushel).

3. Price paid to producers for first 3,000 bushels by the Australian wheat board, bulk, basis country sidings: 3 shillings and 11½ pence per bushel (74·1 United States cents per bushel f.o.b. seaboard).

4. Home consumption price, basis f.o.b. Williamstown: 5 shillings and 2 pence per bushel (83·4 United States cents per bushel). Australian wheat board export prices are not published.

5. Canadian wheat board initial advance on 1943-44 crop deliveries, basis No. 1 Northern Fort William: $1.25 per bushel (113·6 United States cents per bushel).

Mutual Aid shipments, same basis as above.

6. Commercial export prices to countries not under Canadian Mutual Aid, basis No. 1 Northern, Fort William, January 25, 1944: $1.46 per bushel (132·7 United States cents per bushel).

AIR TRAINING PLAN—CLOSING OF AIRPORTS

Mr. CASTLEDEN:

How many airports were closed under British empire joint air training plan in each province during 1942 and 1943?

Mr. MACMILLAN: No main airports of the B.C.A.T.P. were closed during 1942 and 1943. However, the following relief fields were closed:

(a) In April, 1942, relief field No. 1 to Boundary Bay, B.C., situated at Langley, B.C., was closed.

(b) In March, 1943, relief field No. 1 to No. 36 O.T.U., Greenwood, N.S., situated at Waterville, N.S., was closed.

(c) In April, 1943, relief field No. 1 to No. 9 E.F.T.S., St. Catharines, Ont., situated at Thorold was closed being replaced by R.1 at Willoughby, Ont.

(d) In April, 1943, relief field No. 1 to No. 19 E.F.T.S., Virden, Man., situated at Hargrave, Man., was closed being replaced by R.1 at Lenore, Man.

[Mr. Donnelly.]

WARTIME HOUSING LIMITED—PRINCE RUPERT

Mr. HANSON (Skeena):

1. What is the total expenditure by Wartime Housing Limited at Prince Rupert, British Columbia, (a) cost of land; (b) cost of houses?

2. How many residences have been built?

3. What is the cost of each type of house?

4. How many staff houses have been built?

5. Have satisfactory arrangements been made with the city of Prince Rupert, (a) for taxes; (b) school accommodation; (c) sanitary purposes?

Mr. CHEVRIER:

1. (a) $14,450; (b) $1,512,304.

2. 501.

3. 2-bedroom house, small, $2,813; 2-bedroom house, large, $3,161; 4-bedroom house, $3,402. These costs are inclusive of all services.

4. Nine staff houses and two bunk houses.

5. (a) Wartime Housing Limited are carrying out the terms of the municipal agreement signed by the proper authorities, whereby payment in lieu of taxes is made at the rate of $24 yearly for the small house and $30 for the large house.

(b) Wartime Housing Limited have built a 6-roomed school at an estimated cost of $50,000.

(c) Houses built in Prince Rupert are standard in every way, with every sanitary convenience, and in addition Wartime Housing Limited have built a general sewage system at an estimated cost of $75,000.

The foregoing are in accordance with the terms of the agreement between Wartime Housing Limited and the city of Prince Rupert.

ELDORADO MINING AND REFINING LIMITED

Mr. ROSS (St. Paul's):

1. Has the government acquired the property of the Eldorado Mining and Refining Limited?

2. If so, did the government acquire the property through an agent?

3. What company or person acted as agent for the government?

4. Was any commission paid to any person or company in the purchase of the property or the shares of the Eldorado Mining and Refining Limited; and, if so, what was the amount of the commission, and to whom was it paid?

5. Has the government or its agent, or a crown company, acquired the shares of the Eldorado Mining and Refining Limited; and, if so, how many shares have been purchased, and how many shares remain unpurchased as at March 25, 1944?

Mr. CHEVRIER:

1. Yes, by P.C. 535, January 27, 1944. See minister's statement, page 6, *Hansard*, January 28, 1944.

2. No.

3. Answered by 2 and 4.

4. No commission was paid, but the Trusts and Guarantee Company Limited, the transfer agent, will be paid a small fee as a service charge for receiving share certificates and issuing cheques to the holders.

5. Yes, by P.C. 535, dated 27th January, 1944. All shares were automatically appropriated to the crown as of 3 o'clock eastern daylight saving time, January 28, 1944.

QUESTIONS PASSED AS ORDERS FOR RETURNS

MARBLE ISLAND PROJECT, QUEEN CHARLOTTE ISLANDS

Mr. HANSON (Skeena):

1. What was the total amount spent by the government on the Marble island project, Queen Charlotte islands?

2. Was this work done by tender? If not, why not?

SWITLIK CANADIAN PARACHUTES LIMITED

Mr. LACOMBE:

1. Has Switlik Canadian Parachutes Ltd., whose offices are located at No. 3575 St. Lawrence street, Montreal, obtained any contracts from the dominion government?

2. If so, for what amount, in what year, and at what date?

3. What kind of work has been done by this company for the government?

4. What is the name of the president of this company, and what is his profession or occupation?

5. What are the names of the vice-president and each of the directors of the said company, and what are their respective professions or occupations?

USE OF FLAG AT MILITARY FUNERALS

Mr. LaCROIX (Quebec-Montmorency):

1. At military funerals, are the coffins of members of the Canadian armed forces overseas covered with a flag?

2. If so, what flag?

Mr. CHURCH: Mr. Speaker, I would ask what was done with this question. I understand it was passed as an order for return. The question is an insult to our glorious dead, to our soldiers who will never return, and to their families. Army ritual is carried into effect in British countries, and the army rules comply with the regulations in force. I would like to have some reply from the government.

Mr. SPEAKER: It was passed as an order for return.

Mr. CHURCH: These are soldiers who will never return, and it is an insult to them and their families.

CONTRACTS WITH J. FRANCOIS LEDUC

Mr. LACOMBE:

1. Has J. François Leduc, consulting engineer and associates, whose offices are located at No. 354 Ste. Catherine street east, Montreal, obtained any contracts from the dominion government during the years 1939, 1940, 1941, 1942, 1943 and 1944?

2. If so, for what total amount?

3. What amount has been paid to them up to the present time by the government, and how much money was paid them during each of the above-mentioned years?

CANADIAN FORCES—LOSSES BY FIRE IN CANADIAN CAMPS

Mr. CHURCH:

1. What has been the total loss from fire in the various camps in Canada since the war started, by years, and at what camps of the three military forces, by provinces?

2. What insurance was carried on each camp loss by fire, and the net loss to the government?

3. What has been done to increase fire precautions and increased fire protection at these camps?

4. Were fire inquests held into the cause of each fire, and with what results?

LABOUR CONFERENCE

PERSONNEL OF CANADIAN DELEGATION AT MEETING OF INTERNATIONAL LABOUR ORGANIZATION

On the orders of the day:

Mr. GORDON GRAYDON (Leader of the Opposition): I should like to ask a question of the Prime Minister. According to the consitution of the International Labour Organization, Canada's delegation to the session of the international labour conference to be held in Philadelphia on April 20 will be composed of four delegates—two government delegates, one delegate representing employers and one representing workers. Will the Prime Minister indicate to the house the names of the four delegates who have been so chosen to represent Canada at the conference?

Right Hon. W. L. MACKENZIE KING (Prime Minister): The delegates representing the government will be Mr. Paul Martin, parliamentary assistant to the Minister of Labour, Mr. Brooke Claxton, parliamentary assistant to the President of the Privy Council. The Minister of Labour (Mr. Mitchell) himself will be present at the conference, as Minister of Labour. The delegate representing employers will be Mr. W. C. Coulter, and the delegate representing workers will be Mr. Percy Bengough.

There are as well alternate delegates, a number of advisers, and also provincial representatives. However, I believe I have answered my hon. friend's question.

MEAT

ACTION TO SAFEGUARD FEEDERS AGAINST LOSS

On the orders of the day:

Mr. J. H. BLACKMORE (Lethbridge): Mr. Speaker, before the orders of the day are called I should like to ask a question either of the Minister of Agriculture or, in his absence, the Acting Minister of Finance. In view of the precarious position in which beef feeders of southern Alberta and other parts of Canada find themselves, will the minister make a statement to the house to-morrow, Friday, setting forth the measures the government is taking to safeguard those feeders against serious loss in this year's operations?

Hon. J. L. RALSTON (Acting Minister of Finance): I have taken note of the question.

Mr. BLACKMORE: I asked that the answer be made to-morrow.

Mr. RALSTON: I understand that.

PRICES AND TRADE BOARD

CHARGES AGAINST REPRESENTATIVE AT MONT-LAURIER

On the orders of the day:

Mr. MAURICE LALONDE (Labelle): Mr. Speaker, before the orders of the day are called would the Acting Minister of Finance be good enough to tell the house what steps have been taken by the wartime prices and trade board against J. Alphonse Forget, local representative of the board at Mont-Laurier, who has been found guilty of favouritism and complicity?

Hon. J. L. RALSTON (Acting Minister of Finance): I shall make a note of the question, and answer it to-morrow. Or, if my hon. friend wants it answered earlier, I shall write him.

WHEAT

WHEAT BOARD—ACTION IN COURTS FOR ACCOUNTING—PARTICIPATION CERTIFICATES

On the orders of the day:

Mr. E. E. PERLEY (Qu'Appelle): A day or two ago the Minister of Trade and Commerce stated he would answer a question I asked. I believe there were two questions. Will he be prepared to make a statement to-morrow?

Hon. J. A. MacKINNON (Minister of Trade and Commerce): I am not ready to make a statement in connection with the question asked by the hon. member for Qu'Appelle (Mr. Perley). I was rising, however, to make a brief statement in connection with participation certificates. Various members on both sides of the house have asked questions regarding the date of issuing and the amount of participation certificates in connection with the 1940, 1941 and 1942 wheat crops. I had hoped, and so stated, that I expected to be in a position to give the house this information before the end of the month. I am now informed, however, that it has been found a physical impossibility to arrive at the exact amount of this participation payment before the end of the month, to-morrow. I am advised that it will be about the middle of next week before this information is available. A recent decision that certain administrative expenses, that is, the cost of work on quotas, wheat acreage reduction and transportation, should not be charged against this grain upon which participation is about to be paid, has been partly responsible for this further delay. Although the house will not be in session, I have made arrangements to make public at the earliest possible moment the amount of the participation certificates. As soon as this figure is arrived at, payments in volume will immediately proceed.

POSTAL SERVICE

CANADIAN FORCES OVERSEAS

On the orders of the day:

Mr. D. G. ROSS (St. Paul's): Mr. Speaker, I should like to ask a question of the Postmaster General. My reason for doing so is the approach of the Easter recess. I have had several letters and many complaints with respect to the question of mail for overseas. Many examples have come to my notice, one in particular respecting a mother who has two boys in Italy. One of those boys received the odd letter, but he has not received one parcel since last July. The other boy has received neither letter nor parcel for months, and she writes them once or twice a week, as well as sending them parcels. Another woman whose husband is overseas writes him quite often, but he has had only four letters in the last four or five months from her. Another mother sent parcels overseas for Christmas. Those parcels were posted in October. She knows that fifteen of them were sent, but up to date the boy has received only two. Would the minister state what is being done about this condition?

Hon. W. P. MULOCK (Postmaster General): If the hon. member will give me particulars of the cases he has mentioned, I shall have investigations made. He will

understand, however, that it is impossible to deal with an isolated case of the kind. I do not know the names, and I would have to have them before an investigation could be made. If he will let me have the necessary information I shall be glad to have inquiries made at once.

Mr. ROSS (St. Paul's): In answer to what the minister has said I would point out that this is only one of many complaints which have been made.

Some hon. MEMBERS: Order.

SUPPLY

The house in committee of supply, Mr. McCann in the chair.

DEPARTMENT OF AGRICULTURE

Marketing service—

417. Marketing service administration—further amount required, $2,275.

Mr. SENN: Is the Minister of Agriculture likely to be here to-day?

Mr. MACKENZIE KING: No.

Mr. SENN: I should like to have some information about this item. When the minister spoke some time ago he referred to the floor prices on beef. I understand that the meat board has the power to set minimum prices for beef, but up to the present I have been unable to secure any information other than that contained in the minister's statement the other day. If the minister in charge cannot answer my question, I suppose it will have to be left until some other time, but I should like to know when these floor prices were set and what they are. Perhaps we could be given a general statement on the matter. The public is entitled to know what is being done. When the minister referred to floor prices on beef he stated that the meat board would be in position to buy cattle and freeze the beef and ship it to England. So far as I can find out, the public does not know what these floor prices are, or whether they vary from time to time or remain constant.

Hon. T. A. CRERAR (Acting Minister of Agriculture): I am afraid I cannot give my hon. friend all the information he has asked for; I have not had an opportunity to go into the details. I believe there is a sort of scale of prices so far as beef is concerned, but I cannot be certain even about that. Am I right?

Mr. SENN: I think you are.

Mr. CRERAR: I would suggest that perhaps a discussion on general marketing services might be left until the Minister of Agriculture has before the committee that particular item, which has not yet been reached in the consideration of his 1944-45 estimates. I believe there is an arrangement by which some board under the Department of Agriculture can exercise an influence on prices if they become unduly low, but I regret I cannot give further details with any certainty.

Mr. HANSON (York-Sunbury): If the Minister of Agriculture is not here, and if the minister taking his place does not know anything about this item, it would not seem to be profitable to go on with it. Unless there is some insurmountable reason why these items have to pass before the end of the fiscal year, I suggest that they stand.

Mr. CRERAR: The supplementary estimates have to pass before March 31.

Mr. HANSON (York-Sunbury): It is rather late to bring them down.

Mr. CRERAR: If my hon. friend wants to press the matter, I shall endeavour to get in touch with the deputy minister and see if I cannot furnish the information.

Mr. SENN: I do not want to press the matter, but I had hoped to have this information. Will the minister be here to-morrow?

Mr. CRERAR: I am afraid not. I forgot to mention that in replying to the hon. member for York-Sunbury.

Mr. GRAYDON: In view of the fact that there is no minister in charge of these items and my hon. friend is not as familiar with this matter as he is with some of the others, perhaps an arrangement could be made to have the deputy minister of agriculture here as he is when the ordinary items are being discussed. Is it possible to arrange that?

Mr. CRERAR: Of course that is possible if my hon. friend wishes further information. I notice that the estimate last year for marketing services was $101,314. When you get down to $314 in an item of that size it is some indication as to how closely the departmental officials estimated. However, it is found that a further amount of $2,275 is required.

Mr. SENN: I think the minister is at fault in making that statement, because the money required for the establishment of floor prices would not be included in that item. However, I do not wish to press the matter, and perhaps we can get the information in some other way. This is important with the Easter recess coming along. The public should know how these floor prices were

established. There are a number of other questions I could ask on this marketing item, but I do not want to hold it up.

Mr. CRERAR: The explanation of this item which appears on page 6 indicates that it is made up of cost of living bonus and other paylist items. I do not know just what would be included in paylist items, but probably it would cover additional staff. It is obvious that while an endeavour was made a year ago to estimate closely, the department underestimated this item to the extent of $2,275, and that part of it is made up of cost of living bonus.

Mr. PERLEY: That would apply just to employees of the department?

Mr. HANSON (York-Sunbury): That explanation is quite simple mathematically.

Mr. CRERAR: One at a time, please. I did not catch the question of the hon. member for Qu'Appelle.

Mr. PERLEY: I said that that affected only the employees; it has nothing particularly to do with the marketing of products.

Mr. CRERAR: Evidently they did not estimate sufficient for cost of living bonus for the employees in this particular branch of the department.

Mr. HANSON (York-Sunbury): That explanation is accepted, but in the interim certain questions have arisen with regard to administration on which the hon. member for Haldimand wishes information. This is the only chance he has of getting it.

Some hon. MEMBERS: No.

Mr. HANSON (York-Sunbury): Hon. members say "no", but that is the only way he can get it at this time.

Mr. CRERAR: At this precise moment, yes.

Mr. HANSON (York-Sunbury): I suggest that the item stand until the deputy minister is here.

Mr. CRERAR: I shall meet my hon. friend's wish if he presses it, but I submit that any discussion on the marketing service of the Department of Agriculture can take place when the items in the main estimates for the coming year are under consideration. I do not know why, if I may respectfully say so to my hon. friend, we should get into an involved discussion of marketing service when the item is simply to provide cost of living bonus for the employees of the branch, which apparently was underestimated when the estimates were prepared last year.

[Mr. Senn.]

Mr. HANSON (York-Sunbury): That is a bad position for the minister to take. It is a simple thing to provide a little more money for cost of living bonus and the pay list of the department, but I submit that the hon. member for Haldimand is entitled to the information which he desires, arising out of a situation which has been created and now confronts the producers.

Mr. CRERAR: I suggest, Mr. Chairman, that the item stand.

Mr. HANSON (York-Sunbury): I think it should.

Mr. CRERAR: Perhaps they had all better stand.

Mr. FRASER (Peterborough West): Including item 415?

Mr. CRERAR: Item 415 was passed.

Mr. FRASER (Peterborough West): Then it was passed when hon. members in this part of the house could not hear what was going on.

Mr. CRERAR: That is a matter for the Chair to rule on.

The ACTING CHAIRMAN (Mr. McCann): Item 415 was carried.

Mr. FRASER (Peterborough West): Then it was passed when we could not hear what was going on at all.

Mr. DOUGLAS (Weyburn): While it is true, as the minister says, that item 416 is to provide for the cost of living bonus, the fact remains that these items present the only opportunity hon. members will have before we adjourn for the Easter recess of discussing government policy on marketing. It is the only opportunity we have had this session. For two weeks we have been in committee on the agricultural estimate. Last Monday night we tried to initiate a discussion on agricultural marketing with a view to getting a statement from the government, because very soon the farmers will be on the land and they want to know something of the government's marketing policy for the crop year 1944-45. We were prevented from having that discussion, and so far we have not had it. Judging by what the Minister of Justice announced last night as the business for to-day, we are not going to get that discussion on the government's marketing policy before we adjourn for Easter. We shall not come back here until the middle of April, so that if we do not have a discussion to-day it will mean that we shall not know at the earliest until the middle of April what the marketing policy of the government is to be. Here are the only estimates

which give us an opportunity of asking the government what its marketing policy is; the minister most concerned is not here, and the minister who is in charge of the estimates says he does not know much about them. Certainly that is not satisfactory.

Mr. MACKENZIE KING: May I say just a word about these estimates. In the first place the committee understands that these estimates are for the present fiscal year which ends on March 31—that is to-morrow. They are in the nature of the additional amounts required to pay some of the expenditures of the present fiscal year. They do not touch matters relating to the next fiscal year. It is on matters that relate to the next fiscal year that the main estimates have been prepared, and it is on the main estimates that questions of government policy and the like are appropriately discussed. Hon. members know that in dealing with estimates the rule is that discussion must be confined to the item before the committee, but on the main estimates there is not infrequently an understanding that a general discussion shall be permitted on one of the items. That rule does not apply to individual items in supplementary estimates dealing with the present fiscal year.

I have no objections to hon. members, if they so desire, seeking to have it appear that ministers may not be wholly prepared to answer every question asked at this time. The ministers have taken into consideration the character of the estimates, namely that they are simply supplementary amounts required to make good small amounts needed to square accounts. The details given in the statement before us are in themselves pretty nearly enough to explain the items, which for the most part are for the payment of bonuses, for temporary assistance and things of the kind. Clearly it would be quite wrong to expect a discussion of general policy relating to agriculture or other subjects under items of this kind.

May I say to my hon. friend in regard to agriculture that there has been more time taken up in the house with the estimates of the Department of Agriculture for the coming year than with respect to any other department. The minister has devoted three, four or five sittings to discussions of agricultural estimates. As I recall it, he had two sittings before he could get a single item through, and hon. gentlemen were at that time questioning him with regard to matters of general policy. I submit that the time of this house is precious at the moment and it is not in order to expect the ministry to go beyond the items that appear on this particular paper in giving such explanations as can be given.

Mr. HANSON (York-Sunbury): Is the Prime Minister asking that these items automatically pass? Is that his position?

Mr. MACKENZIE KING: My hon. friend has sat on this side; he knows the responsibility of ministers, and knows that what I am saying is perfectly correct.

Mr. HANSON (York-Sunbury): I notice that one item, 442, under public works for Ontario, is for a garage in Ottawa, $24,000. Is that not a new item? No further amount is being asked, simply the $24,000.

Mr. FOURNIER (Hull): I am ready to explain that item.

Mr. HANSON (York-Sunbury): I assume the minister will be. We shall expect an explanation. I am not complaining about the item.

Mr. SENN: May I add just one word? I am sorry to have created this discussion. I had no intention of embarrassing the government. But item 416 is for marketing service administration, and we have had no chance yet to discuss the government's marketing policy—none whatever. This is the only chance we will have until we get back after the Easter holidays.

Mr. MACKENZIE KING: Let me ask my hon. friends what will be the effect of not passing these estimates? It will be that some civil servants will not get that part of their salaries for some time to come.

Some hon. MEMBERS: Oh!

Mr. MACKENZIE KING: That is exactly what it amounts to. My hon. friend knows that this is not the time to expect a general discussion of agricultural policy.

Mr. SENN: Let me remind the Prime Minister that I was not asking for a general discussion, but only for some information in relation to a statement which the Minister of Agriculture made some little time ago, and which was not clear. I had no opportunity of questioning him at the time about his statement, for the simple reason that he made it on the orders of the day. All I was asking for was a simple statement to let the farmers and producers and others interested in marketing, the marketing of beef cattle particularly, know just what the position is. I am not going to carry the matter any further.

Mr. HANSON (York-Sunbury): I have suggested to the Prime Minister that these items stand and we can come back to them when the deputies are here.

Mr. MACKENZIE KING: That is what the minister has already suggested.

Mr. HANSON (York-Sunbury): All four items.

Mr. MACKENZIE KING: The minister has suggested that the agricultural items stand.

Item stands.

External Affairs Department—

420. Portion of expenses of the intergovernmental committee on refugees, $5,789.

Some hon. MEMBERS: Carried.

Mr. HANSON (York-Sunbury): The mechanical majority had better keep quiet.

Mr. STIRLING: Would the Prime Minister be good enough to bring public information up to date with regard to this matter? So far as I am aware we have the statement of the Prime Minister in July last, and the statement of the Minister of Mines and Resources in early November when he said that an official of the Department of Immigration would go to Lisbon and look into the question, and that the representatives of forty-four allied countries had been invited to join in a committee—perhaps this is the committee—to look into the various possibilities in regard to the movement of refugees. That statement of the Mines and Resources also included information with regard to separate activities of Canada in this regard outside of the operations which the committee was supposed to carry on.

Mr. MACKENZIE KING: I came prepared to give an explanation of the item, and in order to be perfectly accurate I have the figures in front of me.

The present supplementary estimate is to provide for Canada's share of the administrative expenses of the intergovernmental committee on refugees. Hon. members will recall that the committee was organized at Evian, France, in 1938, to take action to assist refugees from Germany and Austria. Originally twenty-nine governments were members. After the Bermuda conference on refugees last year steps were taken to enlarge the membership of the committee and also to enlarge its field of action to cover refugees from any part of Europe and not merely from Germany and Austria. It is expected therefore that the committee will be more active in the future than it has been in the past.

It is estimated that the total administrative expenses of the committee until December 31, 1944 will amount to £26,000. The basis of allocation between member governments is the same as that which was used for the expenses of the league of nations. On this basis Canada's share is £1,295.

I might add that the committee will in future take the responsibility for the transportation of the refugees and for providing them with food and other necessities during transfer to places of refuge. Previously the work of the committee had been limited to acting as an intermediary between governments and other organizations which arranged themselves for the movement and care of the refugees. This change means that in future there will be operational as well as administrative expenses for the committee. This will not, however, come under the sharing basis of which I have spoken. As a temporary expedient, the governments of the United Kingdom and the United States have underwritten the operational expenses. Canada, along with other member governments, may be asked for a contribution at a later stage, but I cannot say anything definite about this at the moment.

I expect later on in the session to make a full statement with regard to the refugee situation. All I am really prepared for to-day is a statement explanatory of the item which is before the committee.

Answering my hon. friend's further question, the immigration branch has a representative at Lisbon at the present time, and a number of refugees I understand have left for Canada from Lisbon since that officer was appointed. But the total number is restricted; it is not very large at the present time.

Mr. STIRLING: May I draw the Prime Minister's attention to the fact that in the February number of "Canada at War" it is stated that, I believe, twenty-five such families had left for Canada on January 25. When I made inquires of the immigration branch with regard to that I found that it was an inaccurate statement, and that none had yet left. I am speaking of two weeks or perhaps ten days ago. One of my reasons for asking the question I did was to endeavour to find out whether any actually have come or are in process of coming, because nothing seems to have developed from the visit of the immigration official to Lisbon.

Mr. CRERAR: Is my hon. friend speaking of movements from Portugal and Spain?

Mr. STIRLING: Yes.

Mr. CRERAR: I understand that within the last two or three weeks a substantial number—my recollection at the moment is three

hundred, including family members—have left, and I was under the impression that they are here now. I can ascertain whether that is so.

Mr. STIRLING: I wish the minister would clear it up, because, as I say, I was in touch with his department within the last two weeks, and the statement in "Canada at War" was definitely contradicted. The further statement was made that it was not improbable that a few family units would start to move from there during the month of March.

Mr. COLDWELL: I do not wish to prolong the discussion on this item, but I suggest to the Prime Minister that as soon as we possibly can, after Easter, a day should be set aside for the discussion in this house of matters relating to the Department of External Affairs. An item in the estimates for the Department of External Affairs has already been called, so that the department is in; on that occasion, while some of us would have liked to ask questions regarding Canada's external relationships, we refrained from doing so because we realized that the government wanted to get that department into supply. But last year it was pretty well toward the end of the session before we were able to discuss the many matters in which hon. members ought to be interested, and in which many of them are interested, dealing with our external relationships.

This is only, of course, one phase. I think personally that we have done very badly by the refugee. I think that when the story of this part of our war assistance is written it will be a pretty sorry story so far as Canada is concerned. But at the moment I am speaking more particularly of the international situation, and the fact that Canada has played an important part in this war. I have followed with a good deal of misgiving the recent developments in the international field. International relationships, among the great powers particularly, have deteriorated in the past three or four months, and it is time that some of the smaller nations—if you will—gave much more attention to external affairs than they have been giving to that subject. I notice that the Prime Minister of Great Britain said two weeks ago that the principal powers would have to do something. It is not good enough to leave these matters in the hands of the so-called principal powers. This house should seriously consider and discuss Canada's position in relation to external affairs, giving full support to every measure and every necessary step for the winning of the war, yet considering also the problems which are arising and will arise. I ask the Prime Minister that as early as possible after the recess we have a day to discuss external affairs, so that it may not be left until near the end of the session.

Mr. HANSON (York-Sunbury): After that lecture to the government and to the principal powers, I desire to ask the Prime Minister a concrete question. What is the status of these refugees who are coming or have arrived, whichever it may be? Are they to be temporary guests of Canada, or are they to take up their domicile here permanently?

Mr. CRERAR: I might say in response to the previous question asked, that I telephoned the director of immigration and am informed that a party of refugees from Spain and Portugal, to the number of two hundred and fifty-six, is on its way and is expected in North America within a few days.

With regard to the question just asked by the hon. member for York-Sunbury, the situation is this. These refugees for the time being are being given an asylum in Canada; that is, they can remain here until the war is over and later on their status if they then desire to remain here, can be considered and determined. For the moment they are coming in simply as refugees; that is they are getting asylum in Canada for the duration of the war.

Mr. HANSON (York-Sunbury): They are temporary guests.

Mr. GRAYDON: Are any members of the party which the minister has mentioned going to the United States, or are they all coming to Canada?

Mr. CRERAR: I am speaking only of those who are coming to Canada. What the United States may be doing in the matter I am not in a position at the moment to say.

Mr. CHURCH: This is the forty-first day of the session, and this item is the first regarding external affairs which has appeared. True, the particular item is a five or six thousand dollar vote for an intergovernmental committee regarding refugees; but one of the most important subjects we have to consider is the whole question of external affairs, our relation to foreign policy, to empire policy, to refugees and the other subjects with which the department deals. There was a good deal of immigration from Continental Europe before the war and people are asking questions that should be answered. I moved for a return this session and it was brought down, and I think that the minister should make a statement not only about refugees but on the broader question about what is going to be

done first regarding immigration from the British isles, where people have suffered from the war more than they have anywhere else, and regarding migration within the empire.

The same practice is being followed this session as was followed at the last session, because then it was only on the 114th day of the session that external affairs were discussed. I have every respect for the Prime Minister and I know that he is carrying a heavy load, but I suggest that shortly after the Easter recess there should be a day or two devoted to this very important topic, which we have been ignoring right along. The question of refugees comes under the department.

The other day we had a statement before the Empire club by a Mr. Kirkconnell, who in 1942 was engaged by the Minister of National War Services to write a book on continental and other immigration. He told the Toronto Empire club last week that there was no room in Canada for these refugees, but I do not pay a great deal of attention to that because he said the same thing on January 14, 1942, in Convocation hall. He said there was no room for any more British born in this country—and I may say that his book was widely distributed in England after the battle of Dunkirk.

The people should know the facts; they should know what is going on in this important department of immigration. I do not object to this item; in fact, I would like to see all these supplementary items pass as quickly as possible. But with all due respect to the cabinet, and admitting the work they have to do, I suggest that they might have set aside one or two days for external affairs, which is one of the most important matters before us. All others are subsidiary to it, and the refugee question is coordinated with it. I hope that the government will see fit to set aside a specified time for the discussion of these external affairs matters.

Mr. MACKENZIE KING: In reply to the leader of the Cooperative Commonwealth Federation party (Mr. Coldwell) and to my hon. friend, who evidently did not hear his remarks, which were the same as his own—

Mr. COLDWELL: Not quite the same.

Mr. MACKENZIE KING: —may I say that I am as anxious as anyone to oblige hon. members, but I would point out that it is not possible to oblige everyone and at the same time have a programme which it would be possible to carry out.

With reference to external affairs, the main policy of the government is to win the war, and the first step in that direction is to have supplies voted by this house for war needs. The war appropriation measure was among the first brought before the house this session and it has not yet been concluded. At the present time we are discussing the resolution which precedes the war appropriation bill, and until that bill is passed we should not, except for very special reasons, consider taking up the time of the house in the discussion of other matters which, though all important, are not as important as the necessity of giving an assurance to our armed forces everywhere that this House of Commons is giving its first attention to their needs. That is the line on which we have been proceeding. If we had begun by taking up external affairs and discussing policies with regard to Canada's relations with other countries, the first criticism would have come, and rightly so, from hon. gentlemen opposite, or if not from them, certainly from those who are fighting the battles of the country. And that criticism would have been this, "Why can you not give your attention to the practical question of supplying the needs of those who are fighting the battle of freedom at the front?"

Mr. COLDWELL: I suggested, as soon after the Easter recess as possible, after we had disposed of this measure.

Mr. MACKENZIE KING: The hon. gentleman did not say after the conclusion of the war appropriation measure.

Mr. COLDWELL: That is what I had in mind.

Mr. MACKENZIE KING: If that is what the hon. member has in mind, that is all right; but we must get on more rapidly with our programme if he expects it to be immediately after Easter, when we shall have concluded the war appropriation measure. I had hoped that we would have concluded that measure before Easter.

I should have welcomed a discussion on external affairs at a fairly early stage of the session—I would not say at the very outset—but hon. gentlemen are asking, for instance, when the budget will be brought down, that now seems to be the most urgent question at the moment. It must be an urgent question if the country wishes to have the budget brought down at an early date; but are we to delay the bringing down of the budget to discuss external affairs? These are questions which the government has to face in a practical way.

It is not correct to say that we have left until a late stage in the session the discussion of external affairs. But even if we had, as long as there was full opportunity given to discuss these matters during the session, the house could not say its members had been

denied that privilege. I am anxious to have a discussion on external affairs at a fairly early stage of the session, but in respect of some things at the present time I cannot control my own engagements.

As hon. gentlemen know, I expect to visit England very shortly. That may be immediately after the Easter recess, or it may be a month or two months hence, but if there is a chance I shall seek to bring on an early discussion.

Mr. GRAYDON: You had better not make it too definite.

Mr. MACKENZIE KING: It may be during the Easter recess; it may be a week or two after, or a month or two months after. I therefore cannot say at what time some of these matters may be taken up.

Mr. ROWE: It is a forthright answer.

Mr. HANSELL: We have listened to a beautiful speech by the Prime Minister. I say beautiful because it has portrayed the beauties of parliament, and so forth and so on, and the Prime Minister has attempted to show us the various criticisms that might come if we act now, and so forth and so on. But we all know that it is just so many words. He spoke as though we might lose the war if we did not have a certain item passed, or that somebody would go short of his salary if we did not move quickly to vote a certain sum of money, which we all know is just so many words. These things just do not happen. The war is going on whether we sit here or not; civil servants are going to be paid whether we sit here or not; and with all due respect to the Prime Minister I might even suggest that if there was a pretty good chance of the Liberal party winning an election he would not think twice about proroguing to-morrow. Now that would not mean that the war would be lost or that some civil servants would go without money.

Mr. GRAYDON: It would mean a change of government, though.

Mr. HANSELL: Let me remind the government that there is precedent for this; for if ever we wanted to get a move on in a hurry it was in 1940, just a few months after the war started. We all know what happened on January 26, 1940. Well, the war did not stop. Civil servants got their money and there was no money voted until we met late in the spring. However, we know what the Prime Minister means, and we can assure him that we want to facilitate the procedure in this house. We want to win the war, and nobody is going to act in any other manner.

So far as the principle of voting money is concerned, I think that is a thing we have to consider. My understanding is that when the government comes to parliament asking for money it is tantamount to His Majesty asking the people for money, and that at that time the representatives of the people have a right to lodge their complaints at the foot of the throne. That is my understanding of the principle involved. Therefore I say no item should be passed without members of parliament having ample opportunity to lodge complaints, though I have no objection to facilitating the work of the house by consenting to an item being passed if we are given the assurance that we may talk about it at some other time.

Dealing with this particular item I should like to ask one or two questions of the Prime Minister or the Minister of Mines and Resources; if they are not prepared to answer them at the moment I shall place them on the order paper. I understand that the large proportion of the refugees seeking asylum in Canada have come from the western part of the European battlefront, coming through Spain and Portugal to England and thence to North America. I understand, on the other hand, that quite a number of refugees from the eastern part of the European front have had to move over to certain sections of Asia, to Iran and India and perhaps to Turkey. I should like to know whether any of those refugees are finding asylum on this continent.

Having asked that question, would the minister mind telling the committee the procedure that should be followed when people in this country desire to have their relatives who are refugees in some other part of the world come to this country. I have a case in point which perhaps will serve as a more direct illustration. I have an inquirer who came originally from Poland. His relatives are understood to be somewhere in the east. They are destitute, and the inquirer in this country also is without money. There has been an exchange of correspondence, however, and the people here would like very much to have their relatives come to Canada. What is the procedure in a case of this kind?

It is the general impression in this country that those who have been able to gain asylum in Canada or in North America are people with some means. Of course I have no objection to any refugee coming here, but I do think something should be done to facilitate the movement of the more unfortunate, of whom there must be many, who have no money at all. If I were a refugee somewhere I should think I would feel much safer if I had my

pockets full of money, so it would seem only common sense to assume that the people who really need help are those with no money at all. I do wish something could be done for them.

Would the minister mind answering the question in regard to the procedure that should be followed? If he wishes me to place on the order paper a series of questions on these matters in order to give him time to look them up, I shall be pleased to do so.

Mr. MACKENZIE KING: My hon. friend will recognize that the exigencies of war impose certain definite limitations upon what any government can do in seeking to meet the laudable wishes of many members of the community. For example, my hon. friend has referred to some persons who would like to leave India and come to Canada.

Mr. HANSELL: From anywhere.

Mr. MACKENZIE KING: Very well; make it from anywhere. The first problem that presents itself is how and where they are going to secure the necessary transportation to bring them to Canada, with the position as it is at present on all the oceans of the world and transportation for war purposes having the priority which necessarily it must have. Definite limitations arise from that fact; one of the greatest of the problems to-day is that of transport. A great many people in the British isles would like to come to Canada; a number of people in Canada are very anxious to get back to the British isles. Not a day passes when a request does not come to the Department of External Affairs asking if transportation cannot be arranged for someone; and in nearly every case the reply has had to be that at present it is impossible to arrange any transportation. That is the first limitation, and it is one that has operated in a definite way. There have been one or two cases where something has been arranged, as for example the exchange of nationals with Japan. It was possible to make special arrangements in those cases, but they were limited and were made under great difficulty. As to the method of procedure, I would say that inquiries should be made of the Department of Immigration, and that department will give such information as can be given at the time. I do not think I can say more than that.

Mr. COLDWELL: There have been times, though, when shipping could be arranged. If my recollection serves me aright, shipping was arranged at one time, and we had a shipload of refugees seeking asylum in many countries. At that time we did not offer any asylum to the refugees.

[Mr. Hansell.]

Mr. MACKENZIE KING: I am giving the reason that prevails at the moment.

Mr. WHITE: I understand some arrangement has been made under which the Italian war prisoners who are now in Canada are to be given the opportunity to remain in this country after the war is over. If this is correct, will the Prime Minister give us some explanation in regard to it?

Mr. MACKENZIE KING: I have not heard of an arrangement of that kind, and I should be surprised if any had been made.

Mr. KNOWLES: There is another aspect of the refugee problem I should like to draw to the attention of the Prime Minister, on which he may care to make a statement. A number of times to-day, in another connection, it has been stated that to-morrow is the last day of March. That is the day when the full effect of the white paper of 1939 comes into operation with respect to Palestine. As the Prime Minister knows, that white paper has the effect of closing the doors of Palestine to any further Jewish immigration. I realize, as the Prime Minister does, that some permits which have been issued have not been acted upon as yet; in other words I believe it will still be possible for persons holding those permits to enter Palestine if they are able to get there. Apart from that, however, the door closes to-morrow. As the Prime Minister knows, there is a good deal of feeling among members of the Jewish community in regard to this white paper. The feeling is that it is in contradiction to the Balfour declaration, which was made not only to the Jewish people of the old country but to the Jewish people of a number of countries involved in the drafting of the original Balfour declaration. Perhaps I should qualify that a bit and not say they were involved in the drafting of the declaration; the British government consulted the allied governments of that time before the declaration was announced, and it had their concurrence. After the declaration was made, other governments, notably the congress of the United States, issued a statement in full support of the principle of the Balfour declaration. I have digressed to this extent simply to point out that although it was a British government declaration, other countries, including Canada, are concerned. In a sense a commitment was made to the people of this country, as well as to those of Great Britain and other countries.

Has the Prime Minister any information he could give the house on this point? Can he tell us whether the government of Canada has made any representations to the British

government in the matter? The question has been raised in the house before, both last year and this year, as the Prime Minister will recall. In the debate on the address in reply to the speech from the throne the hon. member for Trinity stated the case quite fully. Now that the urgency of the matter has come to our attention—because to-morrow the doors of Palestine close to any further Jewish immigration—I should appreciate it if the Prime Minister would make a statement.

Mr. MACKENZIE KING: As the hon. member has just said, the agreement was one which was made by the United Kingdom, and naturally it is of very special concern to the United Kingdom government. As my hon. friend knows, there is shortly to be a meeting in London of the prime ministers from different parts of the commonwealth. This is one of the questions which I expect will be considered there. I think until that conference takes place, and there is an opportunity to confer with those who may be present, it would be wiser for me not to make any statement.

Mr. KNOWLES: If the Prime Minister could say to-day that if the question is not on the agenda when he gets to London he will see to it that it is raised, I am sure it would mean a great deal to the Jewish community of Canada.

Mr. MACKENZIE KING: Within the last day or two I have been waited upon by representatives of the Jewish community, and those who are interested in the question that has been raised, namely that of Palestine as a home for the Jews. I believe that to-morrow again I am to meet another delegation. To those who have waited upon me I have said that it was a matter I intended to see would be considered at the meeting of prime ministers. I do not think I ought to go further than that at the present time.

Mr. HANSON (York-Sunbury): I have looked through the supplementary estimates to see if there is anything in connection with immigration, and I find that there is not. Therefore I cannot pursue what I had in mind. However I would draw the attention of the appropriate minister to a leading article in this morning's *Globe and Mail* which calls for an explanation by the government with respect to the treatment of a Chinese lady by Canadian immigration authorities. As the newspaper puts it, the treatment accorded that young lady is quite different from the statement made by the Prime Minister on the occasion of the visit of Madame Chiang Kai-shek to this city. If it is true, it does not reflect any—

Mr. CRERAR: It is well that my hon. friend has seen fit to add that qualification.

Mr. HANSON (York-Sunbury): I am not suggesting it is true; I hope it is not. But articles such as this, if untrue, do inestimable damage to our reputation as a free and a liberty-loving country. If the statement is not true, it should be refuted. I would ask the minister to give the facts as soon as possible.

Mr. CRERAR: I presume the case to which my hon. friend has referred is one that was brought to my attention within the past week or ten days.

Mr. HANSON (York-Sunbury): It has reference to an American citizen of Chinese origin.

Mr. CRERAR: Precisely. The statement I received was based upon an article appearing in the *New Republic*, printed in New York.

Mr. HANSON (York-Sunbury): Correct.

Mr. CRERAR: I presume it refers to the same action. The lady in question was of the Chinese race, and an American citizen. But while there may be certain disabilities in Canada against Chinese, in this particular instance she was not asked to leave the train by any Canadian immigration officer. According to the information and advice I have received, that step was taken by some railway officials who were in charge of the train upon which she travelled. I understand the lady was going from Buffalo to Detroit.

Mr. HANSON (York-Sunbury). Ann Arbor.

Mr. CRERAR: I do not wish to say anything further about it, but my hon. friend knows that for many years we have had legislation in Canada affecting Chinese immigration to this country, and restricting movements very greatly. In this particular case the fault did not lie with any official of the Canadian government.

Mr. COLDWELL: Will the railway officials take it upon themselves to do that?

Mr. POULIOT: If my memory serves me correctly, this is the first time that refugees have been mentioned in the estimates. Therefore we have a new policy. Prior to this time refugees have been under the control of the Minister of Mines and Resources, and have been admitted under the regulations of the immigration branch. What is a refugee? What is the difference between a refugee and an ordinary immigrant? What is the difference between a refugee and an exile? That is the term used in some places. Outsiders whose transportation to Canada is facilitated or who

are helped to return to their country of origin are not refugees any more, nor are they exiles or immigrants or emigrants. According to the designation given by the League of Nations Society, they are evacuees.

Does the term "refugee" apply to only one race, or does it apply to all those who are coming to this country from occupied Europe? It would be well to know the kind of people we are talking about, and what the money is voted for. Some people believe that those who are dealing with the problem of immigration in war time are anti-Semitic. That is not the question at all. The question is to know who is coming here and how they come here. I listened to the hon. member for Macleod (Mr. Hansell), who is one of the best debaters in the house, and I heard him mention refugees who have no money. If they have no money, how are they able to travel such a long distance to Canada? Some differentiation should be made between refugees, immigrants and exiles who are self-supporting and who are not self-supporting. As I say, I wonder how those who are not self-supporting can come so far to Canada and then become a charge on the country.

Canadian people are kind-hearted; they are generous; they are Christians, and they suffer because of the sufferings of others. Those of us who have read reports of the miseries of people in other parts of the world are ready to help them. But before this money is voted I think we should decide that the first immigrants to be cared for will be the Canadian boys who have fought overseas for this country and who cannot get satisfactory pensions when they come home. They should be the first immigrants to be looked after. There is no excuse for not giving priority to these boys or to these girls and women who have been in our armed forces. That is my first point.

It is pitiful to think of the men who have been in our armed forces and who cannot get pensions. How is it that we have to look after people who are not our own people? We should be ready to help to a certain extent, but I think we should look after our own people first. I shall have a lot to say when the estimates of the Department of Pensions and National Health come up. We live in a strange world here in Canada, as I said when speaking on another matter not long ago. Apparently we think more of people outside our country than we do of the people within our borders. It seems to be considered bad manners to refer to the troubles of red-blooded Canadians. Apparently we are supposed to think only of the people outside our country. That is what is called external affairs. It is said that people who think like that are internationally minded. Let us get down to brass tacks. Let us remember that charity begins at home. Let us not be ashamed of looking after our own people who are in distress.

Mr. HANSON (York-Sunbury): Let us go back to Riviere du Loup.

Mr. POULIOT: It would be via Fredericton. Sometimes the hon. member for York-Sunbury speaks quite sensibly and it is unfortunate that he should spoil his reputation by making wise cracks which are rather hard to justify at times. I regret that a man of his age and ability has not given this problem the consideration it deserves. I would not want to joke about a matter like this; it is too serious, because it concerns the future of this country. There may be jibes from hon. gentlemen; others may laugh or cast aspersions—that is their right and I will not complain, speaking from my own point of view. But I do regret that the hon. gentleman does not give more serious attention to a problem of this scope.

We have an empire parliamentary association made up of people who hope to be the future rulers of the world. I see one hon. gentleman who probably expects to be the minister of external affairs when his leader comes to power. He is internationally minded. The leader of the C.C.F. is internationally minded. He thinks that Canada will play a great role among the nations of the world, and with that I agree, although I am not as internationally minded as he is. But Canada cannot play a great role among the nations of the world unless we have a definite Canadian policy. The principle of numerical strength seems to apply to any meetings attended by Canada, and the result is that the voice of Canada is not always heard. The Canadian policy should be drafted at home. When international meetings are held, representatives of Canada should be able to explain just what our policy is.

This item covers the portion of expenses of the intergovernmental committee on refugees. Who sits on that intergovernmental committee? Is it a Canadian committee made up of representatives of all the provinces, or is it a committee made up of representatives of the different governments in the world? When we know that, we shall be in position to ask what happened at the conference held last year in Bermuda at which Canada was not represented, and rightly so. No definite conclusions were reached at that meeting.

We do not want to see any trouble caused to Jews or to any other race, but we do not

want to see Canada run by foreigners and outsiders, by men from Geneva or other places who occupy key positions in Canada and who boss Canadian affairs. This should be of great concern to us all. How is it possible to have a Canadian policy when the Department of External Affairs is composed of men from all parts of the world who act as advisers to the government on international issues? I admit that a man may come from outside Canada and still be a good Canadian. On many occasions I have said that some of the people born in the British isles or other places outside of Canada were better Canadians than those born in the country. But those people have the happiness of this country at heart. What they had in view was to serve this country before all others. The people who are afraid of the propaganda of these international organizations for refugees, those who bend before those who take the lead in this movement, now say that the situation in the province of Quebec is unfortunate, that the French-Canadians are against the Jews, that the French-Canadians are against one class of the population, that they do not want refugees who want to take control of the whole country. That is not true at all. But how is it possible for men who have no experience of Canada to come here and take control of all the important positions there are, not only in the civil service, but in the government?

So long as a man comes here from outside, he is apparently all right. I remember the case of Alexander Gunn, that great expert who was called from London, not as a refugee, not as an immigrant, not as an exile, but as a kind of missionary from the British government, to tell us, to tell all Canadians what were essential positions and what were non-essential positions from which men should be transferred to the essential positions. That man was called here for the very reason that more importance is attached in this country to anything said by an outsider than to what is said by a good Canadian.

Not only that, but you know what happened with respect to the anti-nazi camp at Sherbrooke. I spoke about that last year. After Dunkirk there was a panic in England and there was a round-up of all men of central European origin who were in London. They were sent here and the government put them in a concentration camp. Think of that—anti-nazis being put in a concentration camp in Canada. I asked the Minister of National Defence last year if he knew anything about it, and he said no. But afterwards what did I see? I saw that an order in council had been passed precisely to give a chance to these men who had entered Canada contrary to the provisions of the Immigration Act. They should have been returned to their country of origin. As I said to the Minister of Mines and Resources two or three years ago, where shall we send refugees from occupied Europe who have entered Canada illegally? There was an uproar of laughter at my question and it was not answered. I should like it answered.

I have no racial animosity in speaking as I do. I have a profound love of my country and of my fellow-citizens, and I am ready to accept the rule of any Canadian in any high post in this country, but I deny any outsider the right to boss us in this country. I think the man who has lived his whole life in this country has the right to attain to the highest positions of responsibility in this country, but I deny to the newcomer and a migratory bird the same right.

Moreover, I learned some time ago that a person who sits in the other house used to have fits when she spoke of refugees, and it was said to me by someone in authority that she cried, that she thought only of the refugees. Well, if one is to be in the other house to represent only those who do not belong to this country, there should be some means of stopping that. I know whereof I speak.

I hope, sir, that in the future those who speak of international affairs and the like will have a programme ready to submit to the house, and be ready to explain what is their stand on any item for the purpose which appears in the estimates. If some of those refugees were not so rugged when they come to this country, if they were not taking possession of Canada when they come here, they would be tolerated, but the man with the worst possible manners that I have ever seen was a millionaire refugee from France. He was eating in the dining room of the Ritz-Carlton in Montreal, and everyone was shocked by his bad manners. He was powerfully rich; he belonged to one of the richest families in the world, but I have never seen before a man who looked like him. Which means that it is not only wealth that we should bring here. It is all right to help other peoples. We have been giving billions of dollars to help other countries, and we have no objection to helping other peoples. We will do our best for them, as much as we can. But we must look after our own people in the first place, and then we must be very careful that we are not ruled by the bold refugees who come here from outside to take hold of this country, or then we shall be slaves in our own country. We cannot have that.

What is the policy of other peoples? What do they do for Canada, these refugees? When I asked for help here for poor settlers who need help for themselves and their children, I could not get it. The Indians get help, but I could not get it for my own people, and I do not see how the refugees can get it. I hope that the government will take that into consideration and will not press further for the passing of this item.

The United States is a large country, and it puts quotas on immigration. But so-called anti-nazis are sent here and we accept them. They jump the fence and get in. They were accepted here in spite of the laws of the land. There will be no end to it if we do not put a stop to it.

One other thing I will mention in passing. Why is it that those young men who were not originally residents of this country, young men who have come here from all over as guests in this country, are not subjected to the mobilization act? Why is that? If I am told that they are, I say that a number of those boys who have come here since the passing of the mobilization act have no trouble at all in continuing at their civilian work and are not called up by the registrars of the various military districts. That also is stupid. How is it that a man who comes here for shelter is not bound by the ordinary obligations of a Canadian citizen? I know that by speaking like this I shall scandalize some virgin souls who do not like plain talk about these matters. In external affairs we have gone far backwards. I regret it, and I hope that the policy of the government will be so changed as to be along the same lines as—

Mr. McIVOR: I wonder whether the hon. member would allow me to ask a question?

Mr. POULIOT: Surely.

Mr. McIVOR: If he were a member of the British house, what would his attitude be to Viscount Bennett, who was born in New Brunswick and schooled in this country?

Mr. GRAYDON: That question is too easy!

Mr. McIVOR: There is a certain attitude of reciprocity as between England, Scotland, Ireland and Canada, and I am curious to know what the hon. member's position would be under these circumstances toward Viscount Bennett.

Mr. POULIOT: Mr. Chairman, I cannot reply to the hon. member for Fort William, because this item refers to refugees and he is speaking of an evacuee.

I hope that the matter to which I have been referring will be considered on its merits. I appreciate the kindness of the committee in listening to my views, which I express in all earnestness. I trust that the government will not be too quick in pressing the adoption of this item, for the reasons I have mentioned, and many others which I will give in due course.

Mr. GRAYDON: I should like to suggest to the Prime Minister that, since there is a question which I desire to ask the Minister of Mines and Resources, who at the moment is not in his place, and which—

Mr. MACKENZIE KING: He is trying to get a little lunch. He has not had any yet. The cabinet meeting lasted until three o'clock.

Mr. GRAYDON: I hope that the Prime Minister is not taking umbrage at what I am saying.

Mr. MACKENZIE KING: Oh, no, but my hon. friend was drawing attention to the absence of the minister, and I was saying that the minister had been to my knowledge in the cabinet until nearly three o'clock this afternoon and has had no lunch. He slipped off for a minute to get a bite to eat.

Mr. GRAYDON: I am not raising any question about the minister going out to his lunch.

Mr. MACKENZIE KING: My hon. friend drew attention to his absence from the chamber, and I am giving him the reason.

Mr. GRAYDON: My right hon. friend need not be so touchy.

Mr. MACKENZIE KING: I am not touchy, but part of my duty is to defend my colleagues during their absence, and when my hon. friend puts on *Hansard* the statement that a particular minister is not here, and my hon. friend knows the significance of that, I am giving him the explanation.

Mr. GRAYDON: I merely innocently rose to ask the Minister of Mines and Resources a question. I cannot ask the question if he is not here, but if the Prime Minister wants to answer it I will tell him what it is. He may clear it up and the matter will then be concluded.

When the hon. member for York-Sunbury rose in his place to bring to the attention of the Minister of Mines and Resources the incident of an American girl travelling from New York to Ann Arbour, Michigan, I thought the minister did not make a clear explanation of the situation, because there is a serious aspect of this particular complaint. I wish to put on the record one sentence in connection with the report which was published in the *New Republic,* and which was

mentioned by the hon. member for York-Sunbury during the debate. That publication refers to—

> . . . this piece of startling governmental stupidity and brutality (which) occurs over and over; No American citizen who looks like a Chinese, we are told, is allowed to pass through Canadian territory on an American train even though the points of departure and arrival are in the United States. Canada has a good record in this war; and it is a little startling to find her deliberately going out of the way to insult and humiliate citizens of an allied country, the United States.

The reason why I rose at this time was to give the Minister of Mines and Resources, or the Prime Minister if he chooses—perhaps the Prime Minister is the one to do it—an opportunity of making a categorical denial of the entire statement and a proper explanation of what happened, because I do not think what has been said goes far enough, in view of the serious charge which is made in a United States magazine with a wide circulation. I believe the Prime Minister and every member of the house wants to repudiate any suggestion that this country would treat nationals of another country in the manner alleged, and in my opinion the Minister of Mines and Resources should have gone farther than simply to say that no Canadian immigration official was involved; he should have told the whole story. What I intended to suggest at the beginning of my remarks was that the item might be allowed to stand until the Minister of Mines and Resources returned to the chamber. If the Prime Minister desires to make an explanation, that is satisfactory to me; but the article should not go unchallenged, because it contains a reflection on our relationship to other countries, and I should like to see the matter satisfactorily cleared up.

Mr. MACKENZIE KING: The minister, I thought, made it quite clear that such action as was taken was not by any Canadian government official, and that any such action on the part of any of its officials would not be countenanced for one moment by our government. Possibly the minister, for reasons which he had better explain himself, deemed it inadvisable to place the responsibility where, perhaps, it exclusively belongs. I will allow him to answer that part himself. So far as the government is concerned I can assure my hon. friend that every member of the government would take the strongest exception to any action of the kind on the part of an official, and in this particular instance the government officials were wholly innocent of any such act.

Mr. GRAYDON: Our position is one of friendship toward nations which are friendly with us.

Mr. MACKENZIE KING: Certainly. The incident was most regrettable.

Mr. LECLERC (Translation): Mr. Chairman, I have just a few words to say on the question of refugees. That matter is closely connected with the immigration question. During the war we have had to admit into Canada a large nmber of so-called refugees, who have been expelled from their own country by the invader but who may wish to become permanent residents of Canada. Despite the kind-heartedness of the Canadian citizens, that question is, in my opinion, one of very great importance and we should not exclude reason from our feelings. We must not forget that the post-war period will probably be marked by widespread unemployment and that we shall then have to take care of hundreds of thousands of demobilized soldiers and laid off workmen apart from those refugees and of the immigrants whom some may wish to send here.

I ask the government to take my remarks into serious consideration. I agree with what the hon. member for Temiscouata (Mr. Pouliot) has said a few moments ago, and I must say that the government has received numerous petitions and that I have also received some which indicate the general feeling in Shefford county. I ask the government, once again, to consider the question of post-war immigration and to make sure that the number of immigrants admitted is commensurate with the employment available at that time. Without any doubt, we shall then have very serious problems to solve in connection with the Canadians who will have to be provided for. I ask the government that before they take care of European refugees, they provide for Canadian-born citizens.

Mr. ROEBUCK: In view of some of the remarks that have been made with regard to this small item, I should like to be heard. The hon. member for Témiscouata (Mr. Pouliot) commented that the matter should be considered on its merits, and of course with that statement I entirely agree.

Let us see what the problem is that we are considering on its merits. I understand that an intergovernmental committee has been set up to consider at some length continuously a problem which is on the hands of all the nations of the world, those of good will at all events, those on the united nations side, with respect to people fleeing the wrath of the nazi murderers in Germany and other occupied territories in Europe.

My good friend the hon. member for Témiscouata says that charity should begin at home. Of course that is right, but unfortunately he has not finished the quotation: It should not stay at home. The remarks made by that hon. member reminded me of the little couplet:

Me and my wife, John and his wife.
Us four and no more.

It is a matter of judgment. It is true that, as he says, our first concern in this country is the returned men from the front, that they have priority on all occasions, and that of course they be given reasonable treatment in the matter of pensions. But it can hardly be contended that the question of giving a sufficiency in pensions to our returned men in any way depends upon or is influenced or affected by the $5,000 appropriation in order that Canada may take her place and her proper place among other nations in doing the right thing by poor people.

It does seem to me, however, looking at the matter entirely from the point of view of the boys who are returning, that were we in this chamber to take a miserable, mean attitude, that charity stays at home, exclusively in Canada, and that we cannot afford $5,000 in order that Canada should take her place on an intergovernmental committee, these boys returning here would blush with shame that they come from Canada rather than from some of the other nations that are playing a proper part.

The hon. member for Témiscouata said that Canadians are a kind-hearted people, and that is true. We are a self-respecting nation, and it would not, it seems to me, be in keeping with our self-respect if we even questioned this amount, much less if we rejected it.

I compliment the government upon taking its proper place on this international committee for the handling of this most important world problem. If the item is to be criticized at all, it is only because it is so small.

Mr. MacNICOL: I just wish to add a word along the line taken by the hon. member who has just sat down (Mr. Roebuck). In his part of Toronto and in my part as well there are people of all races, and I have found sons and daughters of all races, no matter what their language was, no matter where they came from, rendering good service to the country. I, too, congratulate the government upon carrying out its agreement, in fact on entering into an agreement even in a small way, and it is only in a small way, to relieve the unparalleled and almost unmentionable distress that refugees of all races in Europe have gone through. It is a small item which does not mean very much in money, but I am happy to support it.

Item agreed to.

Mr. MACKENZIE KING: The next item is one which relates to the Department of Finance, the estimates of which have not thus far been called. If hon. gentlemen wish to obstruct or to delay the proceedings of the house—

Mr. HANSON (York-Sunbury): Do not use that word "obstruct."

Mr. MACKENZIE KING: I am not saying that they will, but if anyone wishes to delay the proceedings of the house, the business of the country, he may take exception at this moment to our discussing on a Thursday, when Mr. Speaker leaves the chair without question put an item in a department that has not already been called. I am obliged to leave the chamber shortly and I wish to make a statement on this before withdrawing. Hon. members will have noticed that since the beginning of the session the government has sought on a Monday, or Tuesday or Wednesday to have the different departments called in as expeditious an order as possible, but we have been prevented time and again, particularly in the last two weeks, from getting any additional departments into supply. It has not been the fault of the government that all departments have not been called up to this moment. It has been owing to the fact I have mentioned, that motions have been put which have made that impossible. I do not take exception to that; that is the right of the opposition.

Mr. GRAYDON: I hope you are not referring to the opposition, because we did not raise any questions.

Mr. MACKENZIE KING: I regard everyone who is not for the government as being opposed to it.

Mr. GRAYDON: If that is the situation the Prime Minister had better withdraw his remarks about the opposition having brought in amendments to the motion for supply, because we have not.

Mr. MACKENZIE KING: I regard those who are not for the government as opposed to it, and when I speak of the opposition I do not mean my hon. friend only. I mean particularly some of those hon. gentlemen who belong to other groups and who have been—

Mr. HANSON (York-Sunbury): Do not class us with them, please.

Mr. MACKENZIE KING: My own belief is that there should be simply one government and one opposition. I think it is a mistake having the house divided into the government and its supporters and three or four oppositions, so that each time one of that number speaks the other three feel that they must also put in their oars or say something.

In the years I have been in parliament there have always been, just before the beginning of the new fiscal year, some estimates brought down in the nature of further supplementary estimates to cover small amounts that may be outstanding to meet accounts for the current year. I have never once seen the house refuse to give unanimous consent to the consideration of these estimates on the score of any rule that may appear in the rules of procedure of the house, and I hope that we may take it as assumed that hon. members opposite of all parties are prepared to allow the government to proceed with a discussion of any items that may appear on this supplementary list.

Mr. HANSON (York-Sunbury): Speaking on behalf of the official opposition, I wish to assure the Prime Minister at once that no objection will be taken to any item of any department which has not yet been called, but I would point out to him that he has a good many departments in already. As far as my recollection goes, he has more departments in than is the case in the ordinary session of parliament. It is the right and the duty of the opposition to see that too many departments are not brought in too soon. My hon. friend knows that, and nobody was more dexterous in preventing that sort of thing than the right hon. gentleman when he sat on this side, and especially some of his henchmen who sit around him, in days gone by. I have reason to remember that.

Mr. MACKENZIE KING: Speaking of the rights of the opposition and of the government, I would say to my hon. friend that the government has a perfect right, once in supply, to call an item in every department if it so desires. There is no rule of the house which says the opposition has the right to prevent the government from obtaining supply in any way it can, consistent with the rules. It has been to help meet the wishes of hon. gentlemen opposite that the government has not called every department once it has been in supply. I should like to have that clearly understood. Once the house is in supply the government has a perfect right to call any item in any department it pleases; and if we had wished to stand strictly on our rights, the first day the house met we could have called an item in each department and been free to go into supply any Thursday or Friday on the estimates of any department. But that is not the way in which business can be carried on as between a government and an opposition.

May I take advantage of this opportunity to point out what I think is in the interests of all hon. members, namely, that we cannot make progress unless each member assumes a real responsibility and restricts on his own part the amount of time to be taken in discussion. If this afternoon the Chairman had ruled strictly, as I think he should have done—if he will not mind my saying so—this discussion might have been held down to the simple question of whether a small amount still owing by Canada to an international organization should be paid. The broad discussion in regard to immigration, refugees and the like, has not been strictly relevant to the item before us. The time to take up those matters would have been when the main estimates are being discussed.

Mr. STIRLING: But the Prime Minister will agree that this is a new item; it is not a further item.

Mr. MACKENZIE KING: It is an item which has arisen during the year, which there has not been a chance to meet before this; it belongs to the current year. In a word what I want to say is this. Hon. members are asking, and rightly, that we should shortly begin a discussion on external affairs, that we should bring down the budget, and that other measures should be brought down; yet discussions such as that which has taken place this afternoon make it wholly impossible to do any of these things. We have been sitting for two hours, but up to the present we have passed only one item. I think, without injury to any living soul, the whole lot of them might have been passed in ten minutes. I am perfectly certain that is what, in similar circumstances, they would have done in the British parliament. There is a vast amount of legislation still to be brought before the house, and before we get much further with the session hon. members are going to be asking the government, "Cannot this be expedited; cannot that be expedited?" This is the time for expedition, if it is to amount to anything in the long run.

Mr. MacINNIS: If the Prime Minister does not mind, may I suggest that the estimates are not going through faster largely because of his own attitude in the matter.

The ACTING CHAIRMAN (Mr. McCann): Order. There is absolutely nothing before the committee; no item has been called. The dis-

cussion that has been going on has taken place between the calling of items. I should like to know what item to call.

Mr. RALSTON: Item 421.

The ACTING CHAIRMAN (Mr. McCann): Very well; 421.

DEPARTMENT OF FINANCE

421. Departmental administration — further amount required, $76,200.

Mr. MacINNIS: I understood that we were talking on item 421.

The ACTING CHAIRMAN (Mr. McCann): That has just been called.

Mr. COLDWELL: There was a discussion as to the propriety of taking up this item at all. We are not objecting to it, but my hon. friend would like to speak to that point. As the Prime Minister has pointed out, this house might stand on its rights and refuse to recognize this item at all, because as yet the Department of Finance has not been put into supply. We are not going to do that, of course, but at the same time I think my hon. friend has a right to discuss the point, which he was rising to do.

Mr. MacINNIS: As a member of this house, Mr. Chairman, I object to being lectured by the Prime Minister or anyone else. The right hon. gentleman rose and very properly drew to the attention of the opposition the fact that they could have refused to allow this item to come in, because the Department of Finance has not as yet been brought into supply. But he did not simply make the statement and leave it to the opposition to agree or not to agree. I am satisfied that the opposition would have agreed, but he went on and on and on, lecturing hon. members about their duties in the house; he went on to tell us that the government had the right to bring in all the departments on the first day of the session, after the estimates were introduced. Of course that is so, but it would be so only if the opposition allowed that to be done. The opposition could carry on a discussion for weeks, and under those conditions the government would not be able to bring in anything at all. I have said time and again, as the Prime Minister has said, that if we are to make progress here we must discipline ourselves and agree, as among the various groups, how much discussion shall take place on various subjects. I am absolutely in accord with that idea. The attitude of the Prime Minister reminds me of a statement which the late Henry Labouchere is said to have made in regard to the late Mr. Gladstone, who used to lecture the British House of Commons in somewhat the same way. He said he did not mind the old man, as he called him, having the ace of trumps up his sleeve every time, but he did object to the old man saying that God Almighty had put it there. That is the way I feel in regard to these matters. Let the Prime Minister put the point to hon. members, and if it is put fairly nicely, as the right hon. gentleman can put it if he wishes, I am quite satisfied that we shall agree and let the item go through.

[The Chairman.]

Mr. GRAYDON: Let me point out to the Prime Minister what the hon. member for Vancouver East omitted to say. I think if *Hansard* were to be checked it would be found that the Liberals, including the Prime Minister, have had more to say than perhaps all the rest of us combined.

Mr. KNOWLES: Speaking to the point of order which the Prime Minister suggested could be raised—

The ACTING CHAIRMAN (Mr. McCann): Order. There is no point of order before the committee.

Mr. KNOWLES: Taking part in the discussion—

The ACTING CHAIRMAN (Mr. McCann): Will the hon. gentleman please sit down. There is no point of order before the committee. The item under discussion deals with the departmental administration of the Department of Finance, and I shall have to insist that the discussion be relevant to that item.

Mr. KNOWLES: I just wish to say to the Prime Minister that I think we should have an understanding—

Some hon. MEMBERS: Order.

Mr. KNOWLES: We in the opposition have been asked to agree to a matter of procedure, and we have stated our willingness to do so.

Mr. GRAYDON: We object to your being called the opposition, for one thing.

Mr. MACKENZIE KING: What do you call them?

Mr. GRAYDON: Give them any name you like, but you cannot call them the official opposition. They are with the government more than they are with the opposition.

Mr. KNOWLES: I am sure the Prime Minister is prepared to give an undertaking that the calling of this item does not constitute the opening of the Department of Finance in all its estimates.

Mr. MACKENZIE KING: Certainly not.

Mr. KNOWLES: As long as we understand that it will still be necessary to call, on a Monday, Tuesday or Wednesday, the estimates of any department not yet in supply, even though we pass these supplementary items to-day—

Mr. MACKENZIE KING: Certainly.

Item agreed to.

422. Royal Canadian Mint, including the Dominion of Canada assay office—further amount required, $54,241.

Mr. ADAMSON: Do I understand that the mint makes a charge for refining gold bullion, at the rate of one per cent of the value of the bullion so refined? Is that so?

Hon. J. L. RALSTON (Acting Minister of Finance): I cannot tell my hon. friend the rate; but I shall get that information for him.

Mr. HANSELL: I should like to ask a question about the Royal Mint. Does any government department or organization print paper currency? It is my understanding that the government lets out contracts to private companies for the printing of bank notes.

Mr. RALSTON: There are contracts with the bank-note companies for the printing of bank notes.

Mr. HANSELL: It is not done by any department of government?

Mr. RALSTON: No.

Mr. ADAMSON: Are all the coins, including the nickel coins, made at the mint?

Mr. RALSTON: I think so, but I cannot tell my hon. friend for certain.

Mr. ADAMSON: Has there been a shortage of coinage recently?

Mr. RALSTON: Not that I know of.

Item agreed to.

DEPARTMENT OF MINES AND RESOURCES

432. To provide for the expenses incurred under the agreement between the dominion, Ontario and Manitoba confirmed by the Lac Seul Conservation Act, 1928, moneys expended to be largely reimbursed—further amount required, $2,270.43.

An hon. MEMBER: Explain.

Hon. T. A. CRERAR (Minister of Mines and Resources): As hon. members are aware, the Lac Seul Conservation Act was passed in 1928. Under that act certain works of a conservation character were erected at the outlet of Lac Seul. This involved an arrangement between Ontario, Manitoba, and the dominion government. This government pays over to Ontario certain sums which it collects from Manitoba. Apparently last year, for some reason or another, an insufficient amount was voted, and this is to make up the deficiency. The disbursements we make to Ontario are all collected from Manitoba.

Mr. ADAMSON: Is it for power purposes?

Mr. CRERAR: Yes, for power purposes.

Item agreed to.

LEGISLATION—HOUSE OF COMMONS

429. To provide an additional amount, and under the same terms and conditions, to that provided under vote 475 of the Appropriation Act No. 5, 1943, for transportation and living expenses of members of the House of Commons during the Easter recess, 1943—further amount required, $250.

Mr. HANSELL: Although this is a vote for merely $250, I believe it is the only place at which I could make the observations I wish to make—and perhaps what I am about to say will not be any too popular. However, the present high taxation imposed upon incomes is affecting members of the House of Commons to the point where, unless they have certain expenses paid, this parliament will result in a rich man's parliament. I say that because, while some members have other interests, such as professions or businesses, quite a number make the business of being members of parliament a full-time job. In so doing they have no other income.

I am suggesting that if only a slight investigation were made it would be discovered that some members of parliament who attend parliament, with all the expenses involved—and they amount to a considerable sum, because a member has a certain kind of life he must lead—have to get along on a very small amount of money. I know, in fact, that some members have to draw on their indemnities long before they are due.

I understand I have some small support, because I have read, in some of Canada's leading daily papers, several editorials in which the same view has been expressed. I believe the country is gradually realizing the truth of what I have said. Especially is this true in war time, when taxation is high, and when the work of the member of parliament, somehow or another, is doubled. In war time he must attend to many things which in peace time he need not attend to. For instance, I have in mind particularly members who represent large constituencies, some of which are two or three hundred miles in diameter. A member in such a constituency may be requested to address a Red Cross or

salvage meeting, or to appear before a board of trade or a council, and to do so he must travel the width of his constituency. Nevertheless he receives no out-of-pocket expenses. He has to do this on the indemnity he receives, one which, in reality, is supposed to indemnify him against loss of time during a parliamentary session.

I believe it would be only fair if the government were to give some consideration to this matter. We want to bear our fair share of the burden of taxation, but the situation is such that I think we are bearing more than our share, because no consideration is given to our expenses outside the session. I believe it would be only fair if the government were to allow members of parliament a certain amount to cover expenses involved in carrying on their work. I am not alone when I make these observations, because I think almost every member of parliament agrees with what I have said, and I would urge that the government do something about the matter.

Mr. FRASER (Peterborough West): What does the hon. member think would be a fair amount for expenses?

Mr. HANSELL: I do not know; I am afraid I cannot answer that. I do not think any member of parliament wants to make money out of it; but I am of opinion that some regulation could be arrived at which would be fair to all members. On the one hand we may find a city member, the length and breadth of whose constituency would not cover more than a mile or so. On the other hand we find another member who must travel a couple of hundred miles to cover his constituency. From one end of my constituency to the other is a distance of 200 miles. The people at one end of my constituency have just as much right to my services as any organization in the constituency of a city member, but I may have to travel a couple of hundred miles while the other fellow needs only to hop on a street car.

Mr. FRASER (Peterborough West): What would the expenses here in Ottawa be worth?

Mr. HANSELL: I do not know about that. If a member of parliament cannot bring his family to Ottawa he must keep two homes going. No member can live in Ottawa and keep up the position he should at less than what it costs him to live at home, even though he has his family here with him. I am sure if the people were aware of these expenses they would not object to the government allowing hon. members out-of-pocket expenses.

[Mr. Hansell.]

Mr. O'BRIEN: I should like to approach this problem from another point of view. Two or three sessions ago I referred to the matter of taxation, and I was criticized severely by the press, it being intimated I was trying to avoid the payment of the tax. This time I should like to approach the matter from the constitutional point of view. Up to a certain time members of parliament received indemnities, but now they receive salaries. I submit it is entirely unconstitutional for a member to be sitting here representing the people and receiving a salary. Apart altogether from the matters referred to by the hon. member who has just taken his seat, I submit that a most serious situation exists in this parliament at the present time. It should be cleared up. If the tax is to be taken off the indemnity, it should be done by an amendment to the House of Commons Act, which originally gave hon. members their indemnities.

Mr. JAQUES: I should like to associate myself briefly with the remarks of the hon. member for Macleod (Mr. Hansell) and with those of the hon. member who has just taken his seat (Mr. O'Brien). If a member of the House of Commons is paid an indemnity for his services, either the indemnity was too large before the war or, if it was not, it is too small to-day. Because of added taxation, the increase in the cost of living and the extra work that must be performed as a consequence of the war, it would seem to me that the indemnity received by hon. members to-day is much too small.

Item agreed to.

430. To provide an additional amount required for expenses of the special committee on war expenditures under the same terms and conditions as provided under vote 476 of the Appropriation Act No. 5, 1943—further amount required, $1,600.

Mr. GRAYDON: My remarks will be brief, but they would be much longer if it were not for the circumstances. In my opinion this is a good example of wasted money. It is not very often that I make a charge as bluntly as that, but that is what this actually means. Apart altogether from the uselessness of certain parts of the work of this committee, which I am not going to deal with because I have referred to it before, the main reason for this expenditure is the fact that this committee was set up in the dying days of the last session. Therefore it had to sit between sessions and incurred expenses which had to be paid by the taxpayers of Canada.

I doubt if there is anything we can do at this stage except to protest, as I have protested before, against this situation. When this committee was set up so late in the last session

every hon. member must have realized that it would mean money out of the taxpayers' pockets. Had the war expenditures committee been able to sit while the house was in session there would have been no need for these extra expenses. The Prime Minister is not at the moment in the house; so that I shall not press for further details. The most charitable view that can be taken of this expenditure is that it is attributable directly to the situation I have described. I simply wish to make this vigorous and vehement protest against what I think is a waste of public funds.

Mr. GOLDING: That is your opinion.

Mr. GRAYDON: I think my opinion ought to be heard in the House of Commons and I do not want the hon. member to challenge it.

Mr. CHURCH: This committee was appointed some three years ago to carry on a definite task in the darkest hours of the war, but it has outlived its public usefulness. The committee and the system have been weighed in the balance and found wanting. In saying that, I do not wish to reflect upon the hon. gentlemen who compose the committee. It was a very good body of men. However, I protest against the useless system. In the olden days we used to have an auditor general, a Mr. McDougall, who made a great name for himself because of the way in which he checked expenditures. He had the power to veto expenditures which he considered were not within the four corners of the law as it then was. But then the great war came along and that practice was discontinued. Last session I read a letter from the auditor general in which he stated that he had no power to investigate any account incurred under the war appropriation bill which called for four billion dollars. Last year the hon. member for Temiscouata (Mr. Pouliot) referred to this, as did the hon. member for Davenport (Mr. MacNicol) and myself. A comptroller of the treasury was appointed. This officer is a civil servant appointed by the Minister of Finance and under his control. He passes upon all accounts which come within the four corners of the resolution upon the order paper, which is divided into paragraphs (a), (b), (c) and (d). Would any business firm conduct a four billion dollar business like that, without any checks and balances? I do not object to the trips that the committee take, although they are not authorized to take Cook's tours all over Canada. I do not object to that. I have not been able to take any myself. But I am glad that the members see Canada and learn something about the country. It may in the end save some money. But there is a war on and the public think we should have a system of checks and balances over our expenditures. I have had many business men write me on this subject.

The public usefulness of the committee has gone. As I suggested the year before last, we should change our system. At the other end of this building we have what is technically called another place, a very good body of men; sometimes they call it a house. It is not a house at all; it is only half of parliament; you would not call it a house. But it is there, without war work to do, although willing to do it. Why could they not be given the opportunity of doing some more useful work? I read a report of its meeting the other day. They said prayers, took in four new members from Quebec, and then adjourned—and they call that a day's work. The whole business of parliament should be reconstructed and divided in war time. In England, three years before the war, they had long debates on this subject of parliamentary reform, and they reformed the upper chamber and gave it more legislative work to do, looking into accounts and all that kind of thing. They have a real system of checks and balances.

When the Tupper government left office in 1896 our expenditures were $36,000,000 a year, and under Laurier they were $37,000,000. We are now spending that much in three or four days, and when the taxpayer gets his bills he is beginning to wonder about all this expenditure in the fifth year of the war. I do not object to members of the committee taking Cook's tours to the sun or the moon if we are getting value for it, but it was not the intention that the committee should travel around the way it does. They should sit down like the British committee and go over the expenditures. The British committee gets results and changes; it has a big staff of accountants and outside auditors checking the expenditures, and it meets the whole year round and gets some place. But the committee here sits one day and then departs to Montreal or for parts unknown, and then some of them go by aeroplane to Halifax. Let them take all the trips they like. I am not objecting to that. What I am objecting to is the system under which we spend over four billion dollars a year, without any check on it. Any large departmental store that had such a system would go bankrupt, with everybody spending money just as he likes. A letter was read in the house by me not long ago in which the auditor general said he had not control over some expenditures.

The time has come to take action. I move, Mr. Chairman, that this item be reduced to

one dollar. That will give this committee an opportunity to express its dissatisfaction with the conduct of the war expenditures committee. It holds its meetings behind closed doors, like the Star Chamber. I asked in the house the other day if a private member could go into the committee and the answer was: no; you cannot go into the committee. The doors are closed and locked and no private member can get in. But in 1923 when the Canadian National railway estimates were under consideration I asked the late respected Right Hon. George Graham if a private member could go into the select committee on railways and shipping and ask questions, and he announced that any private member could go into the committee and ask questions on any railway matter in which he was interested.

Certainly a change is needed in the system. We should get some public-spirited business men in Canada to act as a committee or royal commission and go over the accounts and make recommendations for retrenchment looking toward a better business system. That would strengthen the hands of the Minister of Finance. I advocated in 1924 and 1925 that we should adopt the municipal system, and the hon. member for Wellington South has been taking that up in the last three or four years. That would enable us to reduce and strike out various items of the estimates. But that policy has not been adopted. We follow the old practice of two hundred years ago under which a minister resigns if his estimates are reduced. To show disapproval I move that this item be reduced to one dollar.

Mr. CLEAVER: Mr. Chairman, on behalf of the members of the committee I think a word should be said. Members of the committee and I are getting fairly well fed up with the constant charges of Cook's tours, giving the impression that the different inspection trips made by members of the committee are not made at their own expense. I want to say positively that every trip made at any time by the war expenditures committee has been made at the personal expense of the members of the committee. The committee members receive a per diem allowance of $12 for every day they are away from home at Ottawa or otherwise on committee business, when the house is not sitting. When the house is sitting and trips are made the members make them in their own time and at their own expense, and no expense account of any kind is payable to any member of the committee when he goes to Vancouver or Halifax or any other place in Canada.

[Mr. Church.]

The hon. member for Broadview says that the Canadian committee is not functioning as the British committee is functioning. In his very next breath he complains of in camera meetings. The British committee has held all its meetings ever since the outbreak of war in camera. He cannot have it both ways. My hon. friend knows better than to make a statement of that kind. Time and again in debates on the subject this house has been told that the Canadian committee is functioning as nearly as can be after the manner in which the British committee is functioning. One feature of the Britsih committee is the fact that all its meetings are held in camera. Our meetings are held in camera, not that we have anything to conceal, but simply that we can better do our job in in camera meetings.

The hon. member for Broadview also stated that the British committee employed accountants, auditors and the like. I took the trouble to have an interview with the chairman of the British committee when he visited this country a year ago, and I was told by him that the committee does not make a practice of hiring accountants and auditors, but is doing exactly as we are doing here. When they need professional assistance or the help of accountants they call them in just as we call in men who are already in the employ of the government in the various departments to assist us in our work. The members of the war expenditures committee were asked to take this work on as a war task and we have approached it entirely from that viewpoint. It is not an easy thing for a member of that committee to spend weeks and months of his time in between long sessions doing this work, which is quite often tedious and tiresome, but I wish to assure the committee that we are approaching it from the point of view of a war duty. We are trying to do our best, and while I do not mind fair criticism I do not like this constant unfair criticism as though the committee simply were going on joy rides and the like.

Mr. FOURNIER (Hull): I was sorry that the leader of the opposition spoke in the way he did about the war expenditures committee. In 1941 this committee was set up, I would say at the request of the leader of the opposition of the day. I recall speeches he made at that time telling us about the war expenditure committee in Great Britain, and that during war time members of parliament should devote some of their time toward assisting the war effort, and that to set up a war expenditures committee here would be one fine way to help the country

in this respect. That year the committee was set up at an early date. They sat until the close of the session, by which time they found that the field they had to cover was so large that it would be well to do what was done in Britain, namely, to sit the year around. The government at the end of the session brought in a supplementary estimate of $25,000 to pay a living allowance to members who during the recess would sit on the committee. That committee sat from July 7, 1941, to some time in September; that is, although it had sat during the session it continued its sittings afterwards. The following year it was again set up at any early date and functioned during the session, and a supplementary estimate of $30,000 was passed at the end of the session to permit sittings during the recess. That fall the committee sat for two and one-half months or thereabouts. The members were not paid any expenses other than an allowance of $15 per diem.

Mr. MacINNIS: Less taxes.

Mr. FOURNIER (Hull): The $30,000 was expended and no further vote was asked for. At that time members of the opposition did not criticize these two estimates. They conceded that it was a good committee, and that it was useful to the government to have a committee of that kind, because the reports it produced served as advice and as a check to the defence departments and the Department of Munitions and Supply, helping them to find ways and means of curbing expenses.

Last year the committee was set up at a late date, but that was not the reason why it sat during the recess. It sat the two previous years during the recess. Another supplementary estimate for $30,000 was voted.

As the hon. member who spoke before me has pointed out, travelling expenses are not paid to the members. Last year, I believe, they received $12 a day when they were on committee work in Ottawa.

I disagree completely with the leader of the opposition when he says that this committee has no useful purpose. If he had experience in that committee; if he knew the work which is done there and followed the procedure, he would find that it is a useful organism of government. Members of the opposition say that it has lost its use because it sits in camera. My goodness, we went over that objection in 1941, 1942, 1943, and it has come back this year. We are convinced and the government is convinced that the committee could not do its work properly if it sat in public. Much of the information given is of a secret nature. We can advise the government as to what should be done to try to economize on some of the expenditures. I have sat on that committee for over two years, and I am still convinced that it is useful and that we should continue to follow the same procedure as we have followed hitherto. Furthermore, I believe the committee should sit during the recess, although it has been appointed early in the session. If one glances over the formidable list of expenditures made by the government in the prosecution of the war effort, it seems evident that this committee should be continuously looking into these expenses and advising the government thereon.

Mr. HANSON (Skeena): This committee, I believe, is one of the best committees which has ever been set up in this house. One reason is that each year since the committee has been set up, all hon. members are advised that if any irregularities have come to their notice in their constituencies it is hoped that they will take the matter up with the committee. Every year I have had a letter from the chairman to that effect, and any time in my territory, which is a big one, irregularities are reported to me, I forward particulars of the complaint to the committee for investigation. I am wholly in favour of the committee being maintained. It is a great help to the individual member, and a great advantage to the general public who are thus enabled to put grievances before a committee of parliament.

Mr. RALSTON: I wish to say one word before the item passes, and that is with reference to what was said by the hon. member for Broadview. I got the impression that in his view this committee was the only agency which stood between the taxpayer and anyone who was spending money, and that it was the only check which was made on the public accounts in so far as war expenditures were concerned. If that is the effect of what the hon. member said, I believe he is entirely in error. I have before me the combined public accounts in their new form for 1943. My hon. friend suggested, I believe, that war expenditures were not under the auditor general, and that this committee was the only checking agency in regard to war expenditures which was available for the benefit of the taxpayer. I would refer my hon. friend to pages 8 and 9 of part II of the public accounts for 1943. There he will find not simply the ordinary expenses but the special expenditures and the war appropriations, all set out on those two

pages, and at the bottom appears the certificate of the official who, the hon. member says, has nothing to do with these war expenditures. That certificate reads:

The accounts of expenditure, which are associated with the foregoing statement, have been examined under my direction, and subject to the relative observations in my report to the House of Commons made in accordance with the provisions of the Consolidated Revenue and Audit Act, 1931, I certify as the result of my audit that the statement is correct.

That is signed "Watson Sellar, Auditor General".

I hope my hon. friend will be relieved by that of his misapprehension that the committee is the only form of check which the public have.

I do not think I need add anything at the moment to what has been said about the committee and its work. For some reason or another the work of the committee is minimized by some hon. members, particularly by the leader of the opposition and the opposition generally. I do not understand why they reiterate that it is not doing effective work because it is sitting in camera. That is just an instance of how the repetition of a fallacy develops in the minds of some people the idea that it is the truth. As a matter of fact, this committee has done exceedingly valuable work. It has been stated time and time again that it is set up and functions exactly as the committee at Westminster does, and that statement has been verified in interviews with those who have had to do with the committee's work at Westminster and know the procedure which is adopted there. The question being raised on this particular item with regard to expenses is a reflection on the committee, because, as has been pointed out, travelling expenses are paid by the committee members themselves. I do not think the committee needs any defence at my hands; its members, and in particular the chairman, are quite capable of taking care of themselves; but I simply wish to assure them that the opinion expressed in some quarters with regard to their work is not held by the people of Canada generally or by the great majority of the members of this house. They work diligently, and while they cannot go over all accounts, at the same time they provide a means of checking on certain accounts and no one knows where they will strike next. All of that helps toward the proper keeping of public accounts and the maintenance of regularity in public expenditures.

[Mr. Ralston.]

I rose particularly to put on record the real situation with regard to the check provided by the auditor general not only in connection with ordinary expenditures, but in connection with war expenditures as well.

Mr. MacINNIS: I do not rise to discuss the work of the war expenditures committee particularly. I do not think it would be wise for us to turn down the appropriation since it is for work that has already been accomplished, for expenditures that have already been incurred. For that reason I think this committee should pass this item.

As regards the work of the war expenditures committee itself, having been a member of that committee the first year it sat, 1942, I am quite convinced that it can render an important service. I am also of opinion that much of the reason for holding the committee meetings in camera has disappeared, and now that the war work has been got well under way there is every reason why these hearings should be held in public. There are certain matters that should not be divulged in public and they could be discussed in camera. It has been said that possibly one reason why the meetings were held as they were was that we could get more information from subordinates in departments. There is a way in which that can be remedied. A man coming before the committee can be sworn—I do not know whether that is done—and when he gives evidence he will give evidence of that which he knows, and does not hold anything back. I pass that on to the members of the committee as my own opinion. I do not think we should hold up the item.

Amendment negatived: Yeas 12; nays 73.

Item agreed to.

GENERAL

431. Printing of parliament, including salaries of staff of the joint distribution office—further amount required, $15,000.

Mr. FRASER (Peterborough West): There is a standing committee on printing which sits for about fifteen minutes each session. It never discusses any printing of the house except sessional papers, to ascertain whether they shall be printed or not. In my opinion the committee should have some say as to what is printed. Members always see copies of divorce bills, but I do not think there are more than five or ten members who read them at all. It is an absolute waste. It should be done away with, or members should be asked whether they want them or not.

Item agreed to.

DEPARTMENT OF NATIONAL REVENUE

Income tax division—

433. District offices—further amount required, $138,500.

Mr. FRASER (Peterborough West): Will the Minister of National Revenue consider putting in a branch office in Peterborough, and perhaps in other places as well? Other members may want offices in their ridings, but we have a large industrial city, and with income tax papers as they are at present, though the forms are supposed to be very simple, I believe that even some of the income tax officers would find it difficult to make up some of them.

Hon. C. W. G. GIBSON (Minister of National Revenue): The matter will, of course, receive consideration, but at the present time the difficulty of securing qualified accountants militates against opening up new offices. It would be difficult to get sufficient qualified staffs to man any more offices than we have at present. It is quite difficult to keep up the staffs in the offices we already have.

Mr. FRASER (Peterborough West): I made a suggestion to the Minister of Munitions and Supply with regard to muntions plants in places where that department has offices of its own. I suggested that those offices have men there to look after the income tax forms of workers in the plants. The workers in the plant at Peterborough have to make out their forms and then buy money orders and send them to Belleville along with their income tax forms. That puts a double tax on the wage-earner.

Mr. BURTON: The sum of $138,500 seems a rather large amount for a supplementary vote. Would the minister be good enough to explain how it comes about that he was not able to make a closer estimate?

Mr. GIBSON: The increase has occurred chiefly through the greatly increased number of taxpayers and the new method of collecting the tax. Postage alone amounts to $100,000 to take care of a very large number of additional returns that are being filed, which are collected by the district offices and sent to the head office. That is the largest item of the total amount. Travelling expenses amount to $22,000, and that again is occasioned by the increased number of taxpayers, which has caused higher travelling expenses.

Mr. HANSELL: This is a tremendous amount, which appears to be an expansion of the income tax division. I would suggest that one thing that would be acceptable to perhaps 100 per cent of the people of Canada would be that the income tax division be done away with altogether.

Mr. TUSTIN: The minister said that there was a great shortage of chartered accountants. What would be the percentage of accountants in each district office?

Mr. GIBSON: It varies with the size of the office. Some offices have a larger number of accountants, while in smaller offices we probably have only one or two.

Mr. TUSTIN: How often are the district income tax inspectors called to Ottawa to be given instructions or to get an interpretation of the income tax law? Are they all called at certain times? I ask this question because it seems to me that in some of these offices there are no two employees who can figure an account exactly the same. I suggest, therefore, that the income tax inspectors should be brought in to what one might call a school, at least once a year, and given instructions which they could impart to the employees.

Mr. GIBSON: That has been done. They were all in during the past year. In addition, we have three regional inspectors for central, western and eastern Canada who visit the local offices.

Item agreed to.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

DEPARTMENT OF NATIONAL WAR SERVICES

434. National film board, including the motion picture bureau—further amount required, $104,000.

Mr. ADAMSON: For some time there has been a growing feeling that the work of the national film board has been devoted to a type of propaganda far beyond and in excess of the reasons which brought about the creation of that board in the first instance. There has been a growing suspicion that the film board has become a propagandist for a type of socialist and foreign philosophy; heretofore it was merely an instrument of propaganda for the government. It is still an instrument of propaganda for the government, but it has become an instrument for the spreading of propaganda which is foreign to our Canadian way of life, and in a moment I shall show the minister what I mean.

I should like to point out why I regard this matter so seriously. The film has come to be the supreme vehicle of propaganda to-day. It takes precedence over the written word in the newspaper and the spoken word

on the radio. Not only does it combine the written word with visual action; it takes in also the spoken word, and it does all this in surroundings which lull the subject into a sense of confident security, and put him into a receptive frame of mind. The Wallman theory shows a direct ratio between the efficiency of the newspaper, the radio and the film; and I feel safe in predicting that, as time goes on, the newspapers of the country will have reason to appreciate fully the seriousness of what is happening. This is a most sinister situation, because they get the adolescent mind in a receptive mood, in comfortable surroundings, and spray it with an anaesthesia of propaganda which in most cases it is not capable of resisting. The function of the film board in England has been merely to assist the government and to explain various government policies. It has done excellent instructional work concerning rationing, health measures, security regulations and other matters. No doubt our film board has done similar work, but the Canadian board has stepped out of character and undertaken to promote a philosophy foreign to the Canadian philosophy.

Before continuing with this discussion, I should like to quote from an article written by one who is considered perhaps the best moving picture critic in the city of New York, appearing in this week's issue of the *New Yorker* and dealing with documentary films. The first part of the article deals with "Desert Victory," and the new picture, "Tunisian Victory," and then goes on with this interesting paragraph, which I shall read to the committee because I think hon. members will be interested:

> Speaking of documentaries, the latest "World in Action" short is Russia's foreign policy, the strongest statement of the Russian point of view that has come from any place but the U.S.S.R. It maintains—and it will take no back-chat—that the comintern was a protective measure, as was the German-Soviet pact, and that Russia is a youthful, zestful, oppression-hating state with a spirit that should be shared by the rest of the world. The film is typical of the "World in Action" series in its smoothness and economy of expression. Every foot of the film makes a point, and the editing of dozens of library shots —news reels and Russian movies of all ages—has been canny. Russia's foreign policy toward the national film board of Canada, which makes this series, should be fairly amiable.

This publication certainly has no political animus; this is merely a factual criticism of this series, which is put out by the national film board. Perhaps the more that is known about Russia, the better; and from time to time I have advocated that a chair of Russian studies might be inaugurated at one of our universities, because this is an interesting and very important social experiment. My objection is that we have a national instrument of government that is obviously putting out soviet propaganda. I feel strongly that it is not the duty of any vehicle of government to put out propaganda concerning any foreign country. The film board should be a Canadian film board and it should put out Canadian propaganda. If we have anything to sell, it is ourselves. The whole trend of this propaganda is dangerous because it is not delivered solely to adult minds. I would suggest to the minister that very careful investigation be made into the operation of this board. This is not the first time that this question has been brought up. There was another film put out called "Our Native Land". It was released by a French motion picture company in New York and released in Canada by the film society. Paul Robeson took a prominent and leading part in that film. There is nothing wrong with the showing of a film on Soviet Russia or even showing films on anybody else's philosophy; in fact the more accurate information we can get, the better; but my objection is that it is not the function of a government-controlled operation to undertake this work, which is being done, according to the information I have.

Hon. L. R. LaFLECHE (Minister of National War Services): Would the hon. member for York West be kind enough to give me the name of the picture which has offended him? If he does so, I assure him that I shall see the film and, if necessary, will have other gentlemen see it, so that I also may have an appreciation of its value or otherwise.

I think it must be granted by all concerned that one cannot go to a radio producer and say, "I want the equivalent of a tailored suit of clothes." Necessarily a great deal must be left to the man who writes the script. The same thing applies to the production of the film. I agree that one philosophy should be followed by the national film board, namely, Canadian. May I say that if we are strong Canadians we, at least the adults, shall be strong enough to see some of the things that are going on in other parts of the world. I am sure my hon. friend agrees with me there. I come back to my original question. I ask him to be good enough to give me the names of the films and I shall have a look at them.

Mr. ADAMSON: "Our Native Land" is one of them and "World in Action" is the other. I agree with the minister that we should have information concerning other lands, but I disagree with him that it is the function of a department of this government to do that

work. That is my objection. I have no objection to communist propaganda. It is an interesting subject and we should know more about it. No matter what the foreign philosophy is, we should study it; but my objection is that it is not the function of this government or any other Canadian government to undertake that task.

Mr. LaFLECHE: I shall look into the matter and give it very careful consideration.

Mr. GILLIS: I did not intend to say anything on this matter, but the remarks of the hon. member for York West have placed most of us in the position where we should say something.

Since the present session of parliament opened, the national film board has made it possible for hon. members to assemble every Tuesday in a room in this building to get some knowledge of the work they are doing. Personally I am very well pleased with the contribution that the national film board is making toward clarifying the minds of the Canadian people with respect to what is going on in the Soviet Union. I do not agree with the statement that was made by the hon. member for York West. He said it was not the duty of a department of government to take the responsibility of clarifying the minds of the Canadian people, poisoned over a number of years, with respect to what was going on in Russia. It definitely is the government's responsibility. If it is not, whose responsibility is it? Does the hon. member for York West want to place the education of the Canadian people with regard to the affairs of one of our most important allies at this time back in the hands of those who carried on that education for the past twenty-five years? If he does, I think he is going too far. I believe that the Canadian government should have interested itself in this question many years ago. Members of this House of Commons are under a debt of gratitude to those who are conducting the operations of the national film board. They are making one of the most important educational contributions to the Canadian people that could be made at this time. It is definitely the responsibility of the Canadian government to place every facility necessary and available at their disposal in order that they may do that job fairly and impartially.

If the economy of our country and the philosophy behind it is correct; if there is nothing wrong with it; if we have nothing to fear in comparison with any other country, the national film board are telling the truth in their films. They are showing the situation as it actually exists. I have sufficient confidence in the judgment and the intelligence of the Canadian people to believe that, regardless of anything they may see or hear with respect to the organization of this country in the future, they will do their job in their own way. I definitely deprecate the remarks made by the hon. member for York West. I consider it is an insult to the intelligence of the Canadian people.

Mr. McIVOR: I suggested last year and the year before and I would suggest again that the film board should take pictures of perhaps the most beautiful scenery in Canada, Kakabeka falls with a 90-foot head, lough Lomond, Mirady park and mount McKay, which would show well all over Canada. It would not only advertise the head of the lakes but all of Canada.

Mr. GRAYDON: Would you have the hon. member's picture with it?

Mr. ROSE: I have thought it my business to go down on Tuesday and Thursday nights to see some of the pictures. They were fine pictures. I have read reviews in the United States papers about different pictures and they offer high praise for the films put out by the national film board. However, I am surprised when I find people attacking a picture about the Soviet Union, an ally that is doing so much fighting, an ally for whom we have a lot of admiration, but an ally for whom some people have nothing but a good word now and then, and no more. They will not let the people find out anything about that country. A continuation of this policy will lead to catastrophe. We should fight it every time we see any signs of it coming back to life.

I visited the Soviet Union in 1930 and I was in Stalingrad when the great tractor plant there first started producing. Lately I saw a film which showed that there was nothing left of the Stalingrad plant. The people of Russia have paid with their plant and with their blood. When I came back to this country in December, 1930, and told people what I had seen they said, "You have been looking through rose-coloured glasses; you saw what you wanted to see." A few weeks after that the Bennett government put on an embargo against products from the Soviet Union. This was sheer stupidity because we were importing very few commodities from the Soviet Union. Canada produces about ninety per cent of the world's asbestos, and shortly after that time I visited the asbestos producing area and was told by the people there that this action had been taken because

Russia was dumping asbestos in Canada. This was because of the lies spread about that country. To-day some people still try to slander the soviet people. This sort of action comes from the hon. members to my right. It appears that the spirit of Bennett is prevalent in their ranks.

Mr. HANSEL: I was not in the house when the hon. member for York West (Mr. Adamson) was speaking, but apparently he referred to certain films which have been shown lately and which depict life in the Soviet Union during these war days. I have no objection to seeing a good show or a good war picture, whether it shows activities in Russia, Italy, North Africa or any other country. In motion pictures we have a most powerful medium of propaganda and I think we should try to arrive at a proper balance in the pictures shown. Recently I saw a picture; I believe its title was "Russia at War", and I must confess that I was tremendously impressed with the fortitude of the Russian people. It was a most powerful picture, and it was powerful propaganda. All pictures of that type are propaganda, whether they are meant to be or not.

As I saw that picture I asked myself, how many pictures showing Canada's war effort or pictures showing the war efforts of Great Britain and the United States are being shown in the theatres of the Soviet Union? We have produced some good pictures of our own war effort. Not many months ago a picture was shown entitled "London Can Take It", showing London after the terrible bombardment of the blitz. Pictures of that kind should be shown in other countries, including the Soviet Union.

I ask the minister, how many pictures produced in Canada—I do not confine my question to the "Canada Carries On" series, although that should be included—have been exported to be shown in other countries, and in what countries have they been shown? If the minister cannot give the information to-night, perhaps he will furnish it at some other time.

Mr. LaFLECHE: I am sorry I cannot tell the hon. member for Macleod the number of Canadian pictures that have been exported. Many have been exported, especially to the United States. Canadian pictures go to the British isles and to the British dominions. Our trade commissioners and diplomatic corps see to the distribution of Canadian pictures. There have been some inquiries about, if not orders for, Canadian pictures for Russia. I regret I have not the figures this evening, but if they are required I shall be glad to make them known later on.

[Mr Rose.]

Mr. HANSELL: A moment ago I said that motion pictures constituted a most powerful medium of propaganda. What I am going to say now is not said in any sense of harsh criticism of the government. At the present time the government is in a rather preferred position with respect to propaganda. Any picture that portrays Canadian war industry has a psychological effect upon the people. They are inclined to think what a good government they have.

Mr. GRAYDON: They would not take on a big task like that, would they?

Mr. HANSELL: I do not mean this as harsh criticism because I suppose it is quite natural. I imagine any government in power would make use of such a department to propagandize its own work.

An hon. MEMBER: They would not do that.

Mr. HANSELL: I would not say that. For instance, we see a picture of a factory going at full blast; perhaps the factory is just being officially opened, and on the screen we see the smiling countenance of the Minister of Munitions and Supply (Mr. Howe) who makes a speech into the microphone. Whether we like it or not, there is a psychological reaction in favour of the present government. Of course, it would depend upon whose face is shown on the screen, because it could work the other way. I would suggest that in any pictures which the national film board may take in future of the various political groups in Canada, it be fair to all groups. I could illustrate what I mean, but I shall not take the time to do so now.

I think we are all interested in our Canadian institutions, and one of our Canadian institutions is the Canadian Broadcasting Corporation. I visited Toronto a few weeks ago and met some of the officials, the men who are in harness operating the Canadian Broadcasting Corporation's programmes. I must confess that the C.B.C. was sold to me, and I determined that I was going out to try to sell the C.B.C. to the country, provided that it does not make any mistakes to cause me to do the very opposite. I suggest that the national film board could do something to put over the Canadian Broadcasting Corporation in Canada. A film showing some of the equipment used, for instance, or the way in which electrical equipment is worked would be interesting. That is one way in which they could be of service to the Canadian people.

Mr. GRAYDON: If they could get a picture of the general manager, that would help, too.

Mr. HANSELL: We might have that picture one of these days. I understand that the national film board or some department of government assigns somebody to travel and show these motion pictures. I do not know what pictures they show, but I would make this observation and give this warning that if we are not very careful, the circuits can become propaganda media for the government that is in office. With that observation I would ask the minister how many of these circuits there are in Canada and what type of film is shown by the men who are employed going around the circuits.

Mr. LaFLECHE: I presume it is rural circuits the hon. member has in mind. There are over sixty of them. My hon. friend need not fear that these circuits will be used for government propaganda. The pictures are chosen to meet the wishes of the local audience, scenes that will interest them. If there were anything of that nature to fear, I think the national film board had better be afraid of the possibility of using the circuits for propaganda purposes. But I do not like to have the feeling that it is necessary always to be fearing this or that. We are dealing with Canadians who are capable of thinking and dealing with matters for themselves, and they certainly warrant our having confidence in them just as we hope they will have confidence in us in this House of Commons.

Mr. HANSON (York-Sunbury): Did the minister never hear of the power of suggestion and of psychology?

Mr. LaFLECHE: Yes, I have.

Mr. HANSON (York-Sunbury): It is a very important factor.

Mr. CASTLEDEN: As an influence in education in Canada the national film board stands very high, and its vast possibilities are just beginning to be realized. I think Canada has been fortunate in having Mr. Grierson to lead in the growth of that organization. He appears to have imagination, ability and a knowledge of his work. It is most important, it seems to me, since these films are such an influence in our Canadian life, that they should at all times portray the truth. The trouble in the past with so much of our education in Canada by way of the press, particularly with regard to such things as the story of what was happening in Russia, is that it has not, I am afraid, been based on the truth, and we have later found out to our sorrow that the Canadian people were being fooled. I had hoped that the minister, when he replied this afternoon to the hon. member for York West, would have given the assurance to the committee that the films used in this country by the national film board have been based on the very latest facts that it is possible to obtain. If that is the case, we need have no fear of the consequences. Canada is fortunate if she can present the truth in this fashion at a time when the world is influenced so much by propaganda.

Mr. ADAMSON: The hon. member for Cape Breton South and the hon. member for Cartier have misinterpreted my remarks as being a criticism of the Soviet Union. They certainly were not so intended. I was the first member of this house to advocate the official recognition of the Soviet Union by the Dominion of Canada. My reason for bringing the matter to the attention of the minister was this. I still do not think it is the duty of a government body to put out films concerning the foreign policy of any country. We have seen magnificent Russian films, the story of Stalingrad, the story of the Red Army, the navy film—"The Red Poppy" I think it is called—excellent documentary Russian films, but still I do not think it is our business to portray the way of life of the Russians or the French or the Americans or any other nation. It is up to them to tell their own story, and it is up to us to tell ours. That is the reason why I brought the matter to the attention of the minister.

Mr. LaFLECHE: May I assure my hon. friend that that is what I am going to study. I will see the picture and look into the matter. May I remind hon. gentlemen that twice a week the national film board comes to this house and shows pictures, so that members of parliament, of both houses, may learn what is being done by the board. May I say, in addition, that if any hon. member desires to see a particular picture which is in the library of the national film board, it will be shown here with great pleasure.

Item agreed to.

POST OFFICE DEPARTMENT

436. Post offices, including salaries and other expenses of headquarters and staff post offices and supplies and equipment for revenue post offices—further amount required, $676,000.

Mr. MacNICOL: Sometimes we criticize the ministers, but occasionally we have an opportunity to say something in their favour. A few days ago on the train to Toronto I sat behind two gentlemen who were praising the Postmaster General very highly. I asked one

of them if he knew the Postmaster General. He said: "Yes; I am a postmaster myself"; and the gentleman sitting beside him said the same thing. I said, "How do you find the Postmaster General?" "Well," he said, "he has been a great help to us." I made up my mind that on the first occasion I would bring that tribute publicly to the Postmaster General. In doing so, I hope he will not compare me with a Greek bearing gifts if I ask a favour for the Toronto "posties." The minister knows well the situation in Toronto, and he will agree that there is no part of the public service which does a better and more onerous job, and whose members are more faithful, than the postmen not only of Toronto, but of all the great cities. The burdens they carry are terrific, particularly around Christmas time. I have attended a number of their meetings and heard them tell of their remuneration, which is so small that I could hardly believe it. All I have to ask the minister, and that as a favour not to myself but to a large body of faithful government employees who richly deserve much more than they get, is that between now and the bringing down of the main estimates he carefully look into and review the remuneration paid to the "posties," and if he concurs in what I have said, that he bring in supplementary estimates, if sufficient is not provided in the main estimates, to give fitting and fair remuneration to the postal service of Canada.

Mr. ROSS (St. Paul's): I brought this matter to the attention of the house on February 3. The wages paid to postmen are out of line with those received by all other public servants in our city, particularly firemen and policemen. This question has been brought to the attention of the minister for several years, but nothing has been done about it. The whole range of salaries of the postal service in Toronto is long overdue for overhaul and a change. These fellows are doing a wonderful job, especially in war time. I agree with the hon. member for Davenport that something should be done; I know he has brought this subject to the attention of the minister before now. It has always been a surprise to me that we have not been able to get some action in this matter.

Mr. BURTON: I find myself somewhat at a loss to understand why, in an old-established department, a supplementary vote should be as large as $676,000. Would the minister care to explain it? When I turn to page 7 of the further supplementary estimates for an explanation, I find, "cost of living bonus and other pay-list items, $211,000," which is a brief explanation; then there is, "temporary assistance" amounting to nearly half a million dollars. Is it not possible for the minister and his department to estimate their requirements a little closer, or why is so large a supplementary vote found necessary now?

Hon. W. P. MULOCK (Postmaster-General): May I deal first with the question of the hon. member who last spoke? That $676,000 is divided into three items. The first one, $115,000, is for salary expenditure exclusive of increases granted under the provisions of order in council dated November 17, 1943. It is expected to be in the neighbourhood of $15,640,000, whereas the vote is only $15,524,995, leaving a shortage of $115,000. The reasons are these: first, the increase in temporary staff over and above the provision made in the main estimates, which were prepared in the fall of 1942; second, assistance required to handle the Christmas rush of work cost $470,000, whereas only $350,000 was included in the salaries in the main estimates for that purpose. The shortage cannot be adjusted by transfers from a vote on the estimates of one branch to that of another. The second item is $350,000. This is required to pay increases granted to permanent and temporary employees under the provisions of order in council P.C. 194-8855, dated November 17, 1943. This takes care of 2,089 employees, of whom 630 are permanent and 1,459 are temporary. The third item is $211,000. This is for the cost of living bonus. The The shortage in the ordinary expenditure is estimated at $188,000, owing to the fact that treasury board directed that provision in the 1943-44 main estimates be restricted to the amount payable on September 30, 1942; therefore no provision could be made for the larger staff which we thought would be needed. The additional bonus payments resulting from increases granted under order in council P.C. 194-8855 are expected to reach $23,000, making the total expected shortage of $211,000. That makes up the $676,000.

Mr. TUSTIN: When I look at this amount of $676,000, and then at the detail on page 7, I am somewhat surprised that the minister did not see to it that greater detail was given on this page. The item states, "including salaries and other expenses of headquarters and staff post offices and supplies and equipment for revenue post offices," but in the detail nothing is stated about supplies to these revenue post offices, and the item of $465,000 is stated to be for "temporary assistance". Surely a department such as the minister presides over should not have to carry

an item of that size for temporary assistance. If it is necessary to have that amount of assistance, I suggest to the minister that they should be permanent employees.

In the next item in "details" it says, "cost of living bonus and other pay-list items". One question I wish to direct to the minister is, are the rural mail carriers included in the cost of living bonus; if not, has any increase or bonus been paid to them since the war began? Then I should like to direct to the minister a question which I believe was put to him and to this parliament by the leader of the opposition at the last session. The suggestion of my leader was that a parliamentary committee be set up to study the problems of rural mail carriers. If I remember aright, the minister at that time said that he would give consideration to the matter. Has that consideration been given; has the minister decided to set up that committee, and if not—

Mr. HANSON (York-Sunbury): Why not?

Mr. TUSTIN: —what conclusion has the minister arrived at; and, as my hon. friend says, why not?

Mr. MULOCK: In these further supplementary estimates there is no item for rural mail carriers, but I shall be glad to consider the question on the main estimates.

Mr. HANSON (York-Sunbury): This is a post office estimate.

Mr. TUSTIN: I am asking whether a cost of living bonus is paid to rural mail carriers and, if not, why not, when other employees are paid such a bonus.

Mr. MULOCK: I have certain items to deal with and I have the information regarding them, but I did not expect the hon. member would be asking questions about matters that are not included in these estimates.

Mr. TUSTIN: I am not asking about any items not included in this estimate. This speaks of a cost of living bonus, and the question is whether rural mail carriers are included in that bonus. If not, why not?

Mr. MULOCK: No.

Mr. HANSON (York-Sunbury): The minister complains that he should not be asked about increased compensation to rural mail carriers because it is not in this item. It is the privilege of the opposition to inquire why not, why provision is not made for some increases for rural mail carriers. There is not a class of people in the public service of this country who are more poorly paid than the rural mail carriers. Our page boys get more money than the rural mail carriers and it is an everlasting disgrace to the country and to the department. I know at once what the answer is, that they are not employees but contractors. That may be good enough in normal times, but with the cost of operation going as high as it is in this war, some consideration must be given to the plight of some of these people who are being held strictly to a contract. I believe that in some cases that has happened, and I suggest to the minister that the whole policy should be reviewed for the period of the war.

I am sure there is not, within the sound of my voice, a member representing a rural constituency who does not agree with the principle for which I am pleading to-night, that these people who took their contracts pre-war at low prices, in competition if you will, and who are now bound by the terms of a legal contract, should have the right to a reinvestigation and renegotiation of their contracts in the light of what they are asked to do.

I do not believe there is an employee in this house who receives a lower rate of compensation than the rural mail carriers, and it does not reflect very much credit on us, and certainly not on the department.

While I am on my feet there is another matter to which I would refer. A few weeks ago I made an inquiry of the Postmaster General with reference to the plight of certain railway mail clerks in my own province who, on what they considered the best of advice, did not elect to take advantage of the offer held out by the government twenty years ago to come in under the new scheme of the Superannuation Act, and who to-day find themselves in a precarious position with respect to their retiring allowances or whatever comes to them when they go out of office, because of reduction in the rate of interest allowed.

I am not going to go into into any further details. The minister is quite familiar with the matter, and the assistant deputy minister was good enough to explain to me the legal aspects and the effect on the men. At that time the Postmaster General indicated that it was a matter of policy for the Department of Finance. I suggest to him that he has some responsibility in trying to convince his colleague of the justice of the claim of these men. I could put the whole matter on *Hansard* in detail, but I am not going to do so. The minister knows the problem to which I refer and I bespeak from him, not generosity but justice for these men, who after all are really only a small group and whose request would not represent a great charge on the public revenue. I ask for justice for them and I ask for justice for the rural mail carriers of Canada.

Mr. MULOCK: The hon. member for York-Sunbury will be glad to know that a substantial number of contracts with rural mail carriers have been reviewed where men have written in and stated that under present conditions they were unable to carry on because of increased cost. They have been given increases. I think it is probably well known to a large number of members of the house that where a man has claimed that he is not fairly treated his contract is reviewed and in many cases an increase has been given.

Mr. TUSTIN: He was not asked to resign from his position or to give up his contract before the increase was made?

Mr. MULOCK: It is given as a war bonus. It is not a permanent thing and does not affect his ordinary contract. He gets the bonus on account of war conditions.

Mr. TUSTIN: That is the question I was trying to ask the minister, if any of these men were given cost of living bonus—

Mr. MULOCK: It is not a cost of living bonus.

Mr. TUSTIN: —and if not, why not? When every other employee in the government receives a cost of living bonus, why should not such a bonus be given to the rural mail carriers?

Mr. MULOCK: As a matter of fact, many of these men are a great deal better off under this arrangement than they would be under the one suggested by the hon. member. The cost of living bonus would be of very little help in many of these contracts. It might be in some, but in some of the more difficult contracts it would not, where men with competitive tenders went very low in certain cases. The hon. member for York-Sunbury knows they had the same problem when he was a minister. Unfortunately, a man thinks he can make money but does not realize the expenses of carrying on, so that he undercuts somebody else, gets the contract and then finds that he is losing money. It is a very difficult matter. The government has studied it and tried to bring about an improvement, and we think the fairest way is what is being done now. We are giving what one might call a war bonus. These cases are investigated by the department and, where the claim is borne out, consideration is given. We do not want persons to be slaving and losing money on a contract. If we are to give the people of Canada good service we have to have contented employees, and as far as I am concerned I will do what I can to see that they are fairly treated and are contented.

[Mr. R. B. Hanson.]

Mr. GRAYDON: May I ask the minister what has happened to the suggestion I advanced last year, referred to by the hon. member for Prince Edward-Lennox, with respect to a special committee of the house in regard to the rural mail carrier problem. I make the suggestion because, whatever the palliative may be, it is a war time palliative at best, and the whole problem will be on the doorstep of the administration. It may not be on the doorstep of the administration now in office, because we have to look a little farther than that. I would like the minister to reconsider the problem in the light of present circumstances. Perhaps he would consider setting up a special committee of the house to deal with it. Surely there cannot be anything wrong with that suggestion, because after all I do not see why the minister should refuse to allow a committee of members who know a good deal about this matter to review and study the whole problem in the hope of proposing a solution satisfactory both to the treasury and to the contractors themselves.

Mr. HATFIELD: Have any increases been given contractors unless the contracts have been renewed? The increases I have heard of have been given only where contracts have run out and have had to be renewed at higher prices. Hundreds of men took these contracts in 1941 at low rates, and they have received no increases at all.

Mr. HANSON (York-Sunbury): How many rural mail contractors are there, and how many have received increases under the circumstances to which the minister has referred? The number is relatively small, I think.

Mr. MULOCK: I shall be glad to get that information and give it to the committee.

Mr. HANSON (York-Sunbury): What about the other request I made of the minister in regard to the railway mail clerks, who consider that they have a substantial grievance. Is the minister promoting their claim with the government, and will he continue to do so until success crowns his efforts?

Mr. McILRAITH: Since the question of the retirement fund and the Superannuation Act has been opened up under this item, I presume we are at liberty to discuss those matters fully. I take it that the hon. member for York-Sunbury has in mind the right of the railway mail clerks, who are contributing under the old retirement fund, to re-elect for the right to come under the Superannuation Act of 1924.

Mr. HANSON (York-Sunbury): That is it exactly.

Mr. McILRAITH: If that is the question it is most interesting. I had hardly expected that a discussion of it would have been permitted under this item.

The ACTING CHAIRMAN (Mr. McCann): The hon. gentleman is out of order in discussing superannuation under this item. I might have called the attention of previous speakers to the fact that they were also out of order in discussing rural mail contracts, but having failed to do so is no reason for letting this go further. A discussion of superannuation does not come within this item.

Mr. HANSON (York-Sunbury): I am obliged to the Chairman for his forbearance.

Mr. McILRAITH: I merely wanted to discuss the exact point raised by the hon. member for York-Sunbury, Mr. Chairman. Do I interpret your ruling to mean that I am not entitled to pursue that subject farther?

The ACTING CHAIRMAN (Mr. McCann): It is out of order.

Mr. NEILL: May we proceed with the debate in connection with the rural mail carriers?

The ACTING CHAIRMAN (Mr. McCann): No; it is out of order.

Mr. NEILL: I put it to the committee if I am not as much entitled to speak on this matter as were hon. gentlemen who preceded me. I think some hon. gentlemen to my left do not thoroughly grasp the situation, nor do I think the minister was quite as frank as he might have been in describing it. Most of us will remember that last session the minister announced, much to our gratification, that certain orders in council had been passed dealing with this situation. He took credit to himself and to the government, quite naturally, for his generosity in dealing with the matter, as a result of which the lot of these men would be improved. But he was not quite so altruistic in his actions as it might appear. The real reason why increases were given—and they were given, or at least arrangements were made for some increases—was that the government found they would save money by doing so. The cost of living, and expenses in connection with running a car, have increased so enormously that men were throwing up their contracts. Perhaps they would come to the government and say, "We cannot carry on like this", but the government would reply, "Well, we have two sureties." Often, one of them might be a parson, who would not know anything about running a rural route; but the government would add, "We will hold you to it". A great many of the rural carriers quit, and then the government had to put up the routes at public auction. As a result they had to pay much larger sums than they had been paying previously. Therefore they said, "We do not want to do this. If a route is put up at auction we will have to let it for four years at a high rate, so that perhaps we had better compromise". Accordingly they made inquiries and found that many of the rural carriers, who always take their contracts at less than they should, were willing to compromise. They said, "If you will give us a little extra money while the war is on, to meet the extra cost, we will not mind going back to the original lower rate at the end of the war". That seemed reasonable, and orders in council were passed providing that some official of the Post Office Department should consider the situation and, where it was found that the rural carrier was doing the work for a price at which he could not really work, with the increased cost of living, then he would be given more money for the duration of the war, with the understanding that after the war was over he would have to go back to the lower rate.

This satisfied the government, because as a result they had to pay the extra money only during the war and were not saddled with a four-year contract. It satisfied the rural carrier, because he had been willing to carry on the work at a low rate previously, and when costs went down he would be willing to continue at that low rate again. That would have been satisfactory if the arrangement had been carried out in the right spirit, but that was not done. The hon. member for York-Sunbury wanted to know how many rural mail carriers there are. I think the number is around thirteen thousand. We know that the price of a rural route is decided by public competition; the public decides what it is worth. It may be a little higher in this part of the country and a little lower in another part, but it is worth whatever the public says it is worth, at a very low estimate. It is always taken at below a reasonable price. I said to one man, "Instead of being helped, you should be ashamed for taking the contract at such a low rate". He replied, "Well, I had a Ford car and a bit of a pension, and I thought it would work out all right". He is not paid a pension in order to permit him to operate a rural mail route at less than its value.

To my mind it would have been a reasonable thing—and I spent most of last fall arguing this matter—for the government to take the prices which the public had made these routes worth. Then they would have had a guarantee that the price in future would be in proportion to what the public had said

it should be originally, whether that price was fifteen cents a mile in one place or twenty cents in another. Then I suggest the fair way would have been to say, "Well, we will raise all of you five or ten or whatever percentage is thought reasonable." That was not done. The matter was put into the hands of one official, probably a very fine official. I know him personally, and I am glad to say that I think he is my friend, but he had not been over all these routes. As far as my district is concerned, I have been over every rural mail route in it. This official went to work and said to one man, "You are getting fourteen cents a mile now and you want eighteen cents. Well, you will not get it; I think fourteen cents is enough." Then he would buttress his case by saying, "The man next to you is getting fourteen cents, and so is a man somewhere else," but as far as I could ascertain it was not worked out by any definite process of arithmetic. I know of one case where two rural routes ran out of one small village. One man was given an increase of seventy-two or seventy-four per cent, while the man operating the route which ran in the other direction was refused any increase at all, though his rate was lower than that of the first man. That was the sort of thing that caused all the trouble; instead of giving satisfaction it created a great deal of dissatisfaction. Most of the carriers put in for increases; those who did not get them, but saw others getting them, of course became dissatisfied. I think it would have worked all right if the government had said, "The public have beaten down the prices; this is what the public think these routes are worth, and we will give you an increase of ten per cent," or whatever increase was thought sufficient.

An hon. member to my left asked how many rural routes there were and how many carriers had been given increases. If you went into that aspect of the question you would get into a lot of trouble, because it would require an enormous amount of labour and then you would reveal percentages, which would not be very satisfactory.

If the order in council is to be believed, it was the intention of the government to relieve these men. The men would have been relieved. They would have got something to keep them going through these expensive times. The government would have been better off because, when the men threw it up, the contract had to be let at public tender; the government paid a great deal more, and then it was let for four years, whereas now it runs for only a year and a half or until the end of the war. That is the situation as I know it.

[Mr. Neill.]

Mr. NOSEWORTHY: Since this debate has gone into the question of rural mail carriers perhaps I—

The ACTING CHAIRMAN (Mr. McCann): The debate will not go farther along the line of rural routes. I would ask the cooperation of the committee in obeying the rule with reference to debate, that the discussion must be relevant to the item under review. I think the committee will agree that quite enough latitude has been allowed and that if we propose to pass these estimates, the discussion will have to be confined to the matter under review.

Mr. NOSEWORTHY: I agree with the fairness of the ruling at the beginning of the debate, but Mr. Chairman, I should like permission to ask the minister a couple of questions. Has any consideration been given to representations made by the rural mail carriers' association?

The ACTING CHAIRMAN (Mr. McCann): I have already declared that that discussion is out of order.

Mr. GILLIS: An hon. member has just spoken for twenty minutes on that subject.

Mr. BREITHAUPT: I should like to ask a question which I think is in order. I believe it has some urgency. I understand that the mails have been used for chain letters to further the sale of war savings stamps and certificates. I believe the people sending those letters are acting in what they think is the best of faith, but I would ask the Postmaster General—by the way, it has been outlined in the Kitchener *Daily Record*—if this procedure has the approval of the Post Office Department.

Mr. MULOCK: It has not.

Mr. HANSON (York-Sunbury): Why not?

Item agreed to.

PUBLIC PRINTING AND STATIONERY

441. Printing and binding official publications for sale and distribution to departments and public—further amount required, $18,000.

Mr. TUSTIN: What is meant by "printing and binding official publications"? Why is another $18,000 required?

Hon. N. A. McLARTY (Secretary of State): This is a matter where it is most difficult, if not impossible, to estimate at the time the general estimates are passed the demand which there will be for the official documents printed; consequently, this being pretty well a self-sustaining item, it is thought better to make

the closest possible estimate and to include in the supplementary estimates any deficit which may have to be made up.

Mr. TUSTIN: Then there is some return from this item?

Mr. McLARTY: Undoubtedly. I cannot give the exact figure, but it is not a matter where the documents are printed and distributed without some remuneration to the printing bureau.

Item agreed to.

DEPARTMENT OF PUBLIC WORKS

Chief architect's branch—

442. Ottawa—Garage, carpenter's shop, etc., for the printing bureau, $24,000.

Mr. FRASER (Peterborough West): Is this the new garage?

Hon. ALPHONSE FOURNIER (Minister of Public Works): It is for replacing the old shop which was demolished on Sussex street to make room for the women's hostel. We have built the new shop behind the printing bureau.

Item agreed to.

Chief engineer's branch—

443. Esquimalt graving dock—further amount required, $19,200.

Mr. BLACK (Cumberland): Would the minister tell us where the department draws the line in these appropriations? Would he tell us where the payments are made out of ordinary account and where they are paid out of war expenditure appropriation?

Mr. FOURNIER (Hull): Yes. When we made out the estimates last year we asked for $84,280. During the year more warships and vessels were brought into the dock to be repaired, and we had a further expenditure of $12,500 for electric power and $6,700 for materials and repairs. The money was allotted from the war appropriation, on condition that we come back to the house for this further supplementary estimate.

Mr. BLACK (Cumberland): I do not understand why this comes out of the ordinary expenditures for which the Department of Public Works is responsible, while like expenditures are made out of the war expenditures appropriation. I know there are expenditures made under the war expenditures appropriation which have less to do with the prosecution of the war than this estimate has, according to the explanation given to us by the minister.

Mr. FOURNIER (Hull): This dry dock is of a permanent nature. Before the war we had this dock which came under the public works department. We had our estimate every year. The dock is now used for war purposes and ordinary purposes. That is the explanation I give for having it in the civil estimates. However, when we needed the money it was allotted to us from the war appropriation. During the year this dock brings in revenue. Speaking from memory, during peace years I think it had a revenue of from $30,000 to $39,000. In 1942-43 I believe the revenue was $96,225 and in the preceding year, around $100,279. All our expenditures for maintenance are covered by the revenue that we receive.

Mr. BLACK (Cumberland): This is the regular standard that designates under which expenditure the money is voted. That applies not only to this case but to all like cases in the department and under the defence minister and the war expenditures appropriation?

Mr. FOURNIER (Hull): No. The public works department has its ordinary estimates amounting to some $13,000,000. Then it has estimates under the war appropriation. The department acts as a service department for the other departments on construction and so forth. The work is divided into three phases: ordinary work, war work and work for other departments.

Mr. BLACK (Cumberland): As I understand the minister, every expenditure made for improvement or repairs to a public work that has a peace-time value or service to perform is paid directly by his department.

Mr. FOURNIER (Hull): Expenditures not made exclusively for war services or war work come under the ordinary estimates.

Mr. HANSON (York-Sunbury): Is this work done by contract?

Mr. FOURNIER (Hull): For the dry dock?

Mr. HANSON (York-Sunbury): Excuse me, I thought we were on another item.

Mr. FOURNIER (Hull): All the work was done by contract.

Item agreed to.

DEPARTMENT OF TRADE AND COMMERCE

444. Commercial intelligence service—further amount required, $50,000.

Mr. FRASER (Peterborough West): Is this item to take care of the new places that have been opened up in South America and Central America?

Hon. J. A. MacKINNON (Minister of Trade and Commerce): There is an amount of $19,000 for temporary assistance. That is to cover officers who have been on active service but who have returned to the department; trade commissioners and assistant trade commissioners who have been sent to offices already opened, and personnel of new offices.

Mr. JOHNSTON (Bow River): How does the $8,000 for cost-of-living bonus come in?

Mr. MacKINNON (Edmonton West): That is to cover the amounts paid to trade commissioners and assistant trade commissioners who are located in countries where the cost of living has risen.

Mr. JOHNSTON (Bow River): On what is the increased cost based?

Mr. MacKINNON (Edmonton West): We receive representations from the particular office in connection with wages paid by offices maintained by other countries, and we also receive particulars of the cost of living.

Mr. JOHNSTON (Bow River): They make their own representations about the increased cost of living and you accept it?

Mr. MacKINNON (Edmonton West): We would take that into account when considering wages paid to other representatives working along the same lines in the same country.

Mr. HANSON (York-Sunbury): What is the total under the five headings?

Mr. MacKINNON (Edmonton West): $50,000.

Mr. HANSON (York-Sunbury): That is the further amount required. There is an amount of $10,000 for travel and removal. What was the vote in the main estimates, and what is the total amount of this item? What travel and removal has there been to occasion an expenditure of $10,000? I thought most of these men were back home.

Mr. MacKINNON (Edmonton West): I have not the figures for the total departmental estimates for travel and removal, but they are quite large. This particular item is caused largely by increased travelling by trade commissioners in making preparations for the post-war period.

Mr. HANSON (York-Sunbury): Missionary work for the post-war period?

Mr. MacKINNON (Edmonton West): That is the item of $10,000.

Mr. HANSON (York-Sunbury): In the main estimates this year you are asking for $8,120,786 for the department, but I wish to know how much is proposed to be voted for this particular item and how much was voted last year. What I am trying to get at is how much money was spent on travel. Unless the minister watches this item it may increase considerably. Instead of these men taking a hotel suite, perhaps they should take an ordinary room like other travellers. I am not finding fault with the men because as a rule they are good men, but travel runs into a great deal of money and I think the minister should give us a little more detail in connection with this service.

Mr. MacKINNON (Edmonton West): I agree with the remarks of the hon. member for York-Sunbury. This is one of the items that impressed itself on my mind when I was dealing with the ordinary running expenses of the Department of Trade and Commerce. It seems that there has to be a certain amount of going about a country or from one country to another, and these expenses, particularly at this time, have been quite heavy. However, they have been carefully scrutinized, and the remarks just made are quite proper. I have not the total travelling cost for the year, but when the main estimates are before the committee that information can be given.

Item agreed to.

Mail subsidies and steamships subventions. Eastern local services—

445. Murray Bay and north shore, winter service between—further amount required, $10,000.

Mr. HATFIELD: What is this Murray Bay service?

Mr. MacKINNON (Edmonton West): It is the Murray Bay-north shore winter service.

Mr. HANSON (York-Sunbury): Mail subvention?

Mr. MacKINNON (Edmonton West): Mail subvention.

Mr. FRASER (Peterborough West): Is that by plane?

Mr. MacKINNON (Edmonton West): No; by ship. This service has been operated by the Bras d'Or Bay Navigation Company Limited of Quebec, each winter since the winter of 1930-31, at a subsidy of $40,000 for the winter period of four months. This service is essential to the welfare of the inhabitants of the coast, extending a distance of over 400 miles east of Murray Bay. Calls are made at nearly twenty ports under severe winter ice conditions, which frequently result in damage to the vessel.

The service has been operated at a loss since the beginning of the war, operating

costs having increased, while the regulations of the wartime prices and trade board prevent the contractors from making any increase in their passenger and freight rates.

Mr. HANSON (York-Sunbury): This is a war casualty and you are helping him out?

Mr. MacKINNON (Edmonton West): Exactly.

Canada Grain Act—

446. Operation and maintenance, including inspection, weighing, registration, et cetera—further amount required, $90,585.

Mr. PERLEY: The details of this item appear on page 8 of the further supplementary estimates, and one item covers the cost of living bonus. We have an item of $118,000 in the main estimates for the cost of living bonus, and here we have another $9,000. There is also $19,000 for temporary assistance, and there is $5,000 for travelling expenses. I should like to have some explanation of these four items. Why should the amount for the cost of living bonus be so great when $118,000 is provided in the main estimates for the same purpose?

Mr. MacKINNON (Edmonton West): I was not quite able to follow the questions asked by the hon. member for Qu'Appelle, but he did refer to the extra amount for cost of living bonus. That is in connection with additional temporary employees, whose services were necessitated by the exceptionally heavy movement of grain from the head of the lakes by rail and lake. As a matter of fact, practically all these increased expenditures are necessitated by the heavy movement of grain to Fort William and Port Arthur during the 1943 season of navigation, the second largest movement on record. This exceptionally heavy movement was not anticipated when the estimates for the current fiscal year were submitted. The total lake shipments for the season were 344 million bushels as compared with 211 million bushels in the previous season. Increased shipments to eastern Canada were also made by rail. This increased activity is reflected in the revenue of the board, the total of which for the first nine months of the current fiscal year is $1,304,977.43, or an increase of $418,983.06 over the same period in the previous fiscal year. All this increased work has necessitated increased expenditures.

As to the item of $5,000 for travelling expenses, war conditions have necessitated the temporary transfer of employees for longer periods on account of changes in the routing of the grain. Congestion in storage necessitates more supervision, and audits of stocks in eastern elevators have necessitated increased travelling expenses for this year.

Mr. PERLEY: The minister emphasizes the increase for temporary assistance. I cannot see the force of his argument, because there have been many years in which the movement of grain has been practically as heavy as this last year. It is based on the amount of the crop harvested, and large stocks of coarse grains were marketed this year. I would not think there would be very much more work involved than usual. The work is principally issuing licences and regulating the marketing of the grain, and that has not much to do with travelling expenses. A considerable amount, over $75,000 of this $90,000, is for temporary assistance.

Since there will not be another opportunity until after the Easter recess, I would ask the minister to make a statement now with respect to the auditing of accounts. Is the auditing done by an official duly appointed by his department? Is it the same auditor who audits the books of the wheat board? The minister has promised a statement with respect to that, and this might be a good time to give it.

I also asked one or two other questions which I was not allowed to put on the orders of the day because they were declared out of order, and they were not allowed to go on the order paper. Perhaps the minister would make a statement now.

Mr. MacKINNON (Edmonton West): I did not anticipate being asked about the auditors on this item and have not that information before me, but I will get it and give it to my hon. friend later.

Mr. PERLEY: That is an interesting statement from the minister who is carrying on a department, that he does not know who the auditors are.

Mr. MacKINNON (Edmonton West): I am a little surprised at the hon. member. I do not consider it necessary for him to take that attitude at all.

Mr. PERLEY: I was a little surprised at the minister's answer, that he did not know who the auditors were.

Mr. HANSON (York-Sunbury:) Is there a firm of chartered accountants making the audit? I presume there is an audit made?

Mr. MacKINNON (Edmonton West): Most certainly.

Mr. HANSON (York-Sunbury): It is a long time since I was in charge of the department and I do not expect to be back there again,

so that I may be pardoned if the matter has slipped my memory. I do not know whether a firm of chartered accountants makes the audit or whether it is done by the auditor general's department.

Mr. MacKINNON (Edmonton West): A firm of chartered accountants, I believe.

Mr. HANSON (York-Sunbury): A reputable firm I presume?

Mr. MacKINNON (Edmonton West): Certainly.

Mr. PERLEY: The minister must have accepted a recommendation for their appointment.

Mr. MacKINNON (Edmonton West): It is the same firm of auditors who have been actively engaged at that work since I came into the department.

Mr. BURTON: Thousands and thousands of farmers in the west and in other parts of Canada are producing grain, and I suggest that the information given here is meagre when we take into consideration that the returns from our labours are practically decided by men in the employ of this department. Under the item for the Canada Grain Act, there is an amount of $90,000 for operation and maintenance, including inspection, weighing, registration, et cetera. That covers a very large field, and the details on page 8 after further supplementary estimates are meagre. Then there is an item of over $75,000 for temporary assistance, and $8,000 for cost of living bonus, and other items such as office rents, travel and removal. Does the inspection of quota books come under this item?

Mr. MacKINNON (Edmonton West): No.

Mr. BURTON: Then we can let that go for the time being. The item of $75,000 for temporary assistance seems large. Is no provision made for employing seasonal help, so that the department has all at once to go out and get help where it can be found? There is a considerable amount of grain to handle at all seasons of the year. Do those who are giving temporary assistance receive the cost of living bonus?

Mr. MacKINNON (Edmonton West): The hon. member will have an opportunity to get information on a number of points he has raised, some of which have to do with the operations of the Canadian wheat board and some with the board of grain commissioners, when the main estimates of the department are up for consideration. This is a relatively small extra amount that is required at this time which was not provided for when the estimates for this year were being prepared. As the hon. member knows, there were some difficult problems to deal with in handling the western grain crop this year, and the expenses were considerably higher than it was anticipated. This item is to take care of unforeseen expenses.

Mr. BURTON: Are the temporary employees given the cost of living bonus?

Mr. MacKINNON (Edmonton West): The new employees.

Mr. JOHNSTON (Bow River): There is an item for $5,000 for travelling expenses. How is that amount made up? What is the scale of travelling expenses?

Mr. MacKINNON (Edmonton West): These people are required to submit details of their travelling expenses.

Mr. JOHNSTON (Bow River): How much do you allow them, for instance, for car expenses per mile?

Mr. MacKINNON (Edmonton West): I do not think it is that kind of travelling, but it may be in this particular case, if this has to do with the board of grain commissioners.

Mr. JOHNSTON (Bow River): This includes, I think, inspectors carrying on registrations and so on. I imagine it has to do with inspectors travelling from one place to the other, and they would be allowed so much per mile if they owned their own cars, or be subject to some other arrangement if they did not.

Mr. MacKINNON (Edmonton West): I have not that information before me, but there will be an opportunity for me to give the hon. member the facts on the main estimates.

Mr. HANSON (York-Sunbury): Does the department provide government cars for these inspectors? I know that was a vexed question ten years ago. Every man wanted to have his own car and be paid for it. I came to the conclusion that sooner or later the inspector would own the car and the government would pay for it. I did not think that was very good policy, but I know the problem is a difficult one. What is the policy at the present time? Does the department encourage employees to use their own cars; does the government provide cars; does it hire cars, or what does it do?

Mr. MacKINNON (Edmonton West): Speaking from memory, I think cars are handled in different ways, but the policy of the department has been to encourage a man to own his own car, the department to pay

him a per mile rate. I shall, however, be glad to take note of the hon. member's question and give him full information later.

Mr. HANSON (York-Sunbury): The minister is not able to state to-day the rate per mile?

Mr. MacKINNON (Edmonton West): Not at the moment.

Mr. HANSON (York-Sunbury): If the minister has not the information here I am not going to press the question.

Mr. DONNELLY: There is a board of grain commissioners, with an assistant board of grain commissioners in each of the western provinces. I imagine these travelling expenses are the expenses of these grain commissioners and assistant grain commissioners in the course of their duty in the different parts of the country. A lot of it would be railway fares. I am inclined to think a larger proportion is represented by railway fares than by the cost of driving cars.

Mr. ROSS (Moose Jaw): And hiring vehicles to carry weights for the weights and measures branch.

Item agreed to.

DEPARTMENT OF TRANSPORT

Marine service—

448. Marine service steamers, including icebreakers—maintenance, operation and repair—further amount required, $24,000.

Mr. HANSON (York-Sunbury): Will the minister state how many icebreakers the government owns, operates and maintains and where they are operated?

Hon. J. E. MICHAUD (Minister of Transport): There are five icebreakers. All operate in the gulf of St. Lawrence, and the Atlantic —Nova Scotia, New Brunswick, Prince Edward Island, and some other points in the Atlantic, during the war.

Mr. HANSON (York-Sunbury): What icebreaker is operating on the New Brunswick coast this year?

Mr. MICHAUD: Of course, there was the car ferry from the mainland. Then for a while, early in the winter, there was the old *Lady Grey* and the *Saurel* between New Brunswick, Prince Edward Island, Newfoundland and Cape Breton.

Mr. HANSON (York-Sunbury): During a recent period there has been a great deal of interruption of the car ferry service between the mainland and the island, but no icebreaker was available. Yet I am told that we have five in operation, and certainly those out of Sorel could not have beeen operating very much. Why was there a lack of foresight in not having an icebreaker available to keep the Northumberland strait clear, having regard to the—shall I say—ineffectiveness of the old car ferry to maintain the service? The state of communications between the mainland and Prince Edward Island is little better than a scandal, having regard to the obligation of Canada to the island. I know the difficulties very well, and I am going to refer to them a little later, when another item is up, but at the moment I want to confine my questioning of the minister to the failure of his department to provide an icebreaker as an all-time supplement to the Prince Edward Island car ferry. During the months of January, February and March not a single icebreaker has been available for that service; yet there was an icebreaker at Quebec, where she must have been doing nothing or next to nothing. The only service I have heard of that is being performed is the rescue of the lives of the three Quebec Airways men, which of course was most commendable, and from that point of view it was very fortunate that she was available. But we have at least two big icebreakers with headquarters in the lower St. Lawrence or in the vicinity of Quebec, and after navigation closes they cannot have anything to do for months. My complaint against the minister's department is that one of these icebreakers should have been kept available in the Northumberland strait to take care of the greatly increased heavy traffic or to keep open the channels for the greatly increased heavy traffic which has developed. Unless relief comes very soon there will be an enormous loss to the shippers of Prince Edward Island, and there will be great difficulty in obtaining transit of the large numbers of cars of fertilizer which have arrived at Tormentine for transmission across the strait. I think the service has not been good enough, and I suggest that it could have been greatly improved if the minister had had foresight enough to have had in Northumberland strait during this season one of those big icebreakers which have probably been tied up at the wharf at Quebec or Sorel for the last several weeks.

Mr. MICHAUD: Evidently the hon. member is misinformed, because there is no icebreaker at Sorel.

Mr. HANSON (York-Sunbury): Well, where are they?

Mr. MICHAUD: There is an icebreaker called the *Saurel* which was and is almost always in the winter time in the gulf of St Lawrence.

Mr. HANSON (York-Sunbury): I misunderstood the minister. Where was she.

Mr. MICHAUD: She was working between Halifax, Sydney and Newfoundland, and she left Newfoundland to come to the rescue of the three men who were saved last week in the gulf of St. Lawrence. There are no icebreakers tied up at any wharf, whether at Quebec or at any other place, during the winter.

Mr. HANSON (York-Sunbury): Was she breaking ice in Halifax harbour, or outside Halifax, or between Halifax and Sydney?

Mr. MICHAUD: Between Halifax, Canso, Sydney and Newfoundland, and late in the fall, between Prince Edward Island, Pictou and the Magdalen islands. But during the months of January and February that icebreaker was detailed to do some special work in the gulf of St. Lawrence towards Newfoundland.

Mr. HANSON (York-Sunbury): That is one out of five. Where are the rest of them?

Mr. MICHAUD: Two were employed as usual, breaking a channel from Quebec to Montreal.

Mr. HANSON (York-Sunbury): In the winter time?

Mr. MICHAUD: In the winter time. That has been done for years, and it is a necessity.

Mr. HANSON (York-Sunbury): I have no doubt it has been done for years, but why the necessity? There is no winter shipping into Montreal.

Mr. MICHAUD: Oh, no, but there would be floods in the spring all along the banks of the St. Lawrence, and especially around the island of Montreal, if that work were not done in the winter time.

The other icebreaker was recalled from Cape Breton to help in certain war work in the gulf of St. Lawrence. My hon. friend says that there was negligence or lack of foresight on the part of the department in not bringing a powerful icebreaker to the rescue of the *Prince Edward Island*. I must inform him that early in the winter, when the *Prince Edward Island* began to have difficulties in crossing, suggestions were made to the engineers and officials of the department to bring an icebreaker to break the channel to help her. I was informed by officers of the department in whom I have full confidence that the *Prince Edward Island* was just as powerful an icebreaker as there was in the government service, and, second, that the bringing of another one into that area would be simply a nuisance to her and would not help a bit in clearing the channel. For that reason, no other icebreaker was taken into that area, and this was confirmed, I am told, by the captain of the *Prince Edward Island,* who did not want to be bothered by having another icebreaker in his way.

I agree that this has been a very severe winter, owing to ice conditions and adverse winds, which kept the channel practically full of ice, so that on many days the service was interrupted. There were very few days on which there were no crossings; on many days there were a few crossings, and it took all the power of the boat to wade her way through the ice, so that hardly any load of freight could be taken off.

This is a situation over which we have no control. Every consideration was given to cope with it, and officers of the department, who have been in the service for many years, engineers, marine agents, ship captains, were all consulted and all gave the same opinion.

The situation with regard to the ferry between New Brunswick on the mainland and the island since last Saturday up to yesterday had fortunately improved greatly, and on three days during this week the ferry took an average of 100 cars each way every day.

Mr. HANSON (York-Sunbury): Well, spring is here.

Mr. MICHAUD: But it was not spring there yesterday, unfortunately, if the hon. member wants to know. However, I hope that next week the situation will have cleared sufficiently to enable the car ferry to take its full quota of freight cars on each trip and carry on its average of from ten to fourteen trips a day, thus relieving the congestion of traffic on either side of the channel.

Mr. GRAYDON: My information last week, when I raised the question on the orders of the day, was that there were between 500 and 1,000 cars of farm products, to a large extent potatoes for seed for other parts of Canada. Could the minister indicate that the present position is in regard to the congestion? How many cars are waiting at Borden for shipment to Tormentine and vice versa?

Mr. MICHAUD: My hon. friend is slightly off in his estimate of the cars that were waiting for shipment to either side.

Mr. GRAYDON: I believe it was Premier Jones of Prince Edward Island who gave the figures, though I am not sure.

Mr. MICHAUD: On one day about two weeks ago there were 565 cars awaiting shipment to the island from the mainland, but they were cars of material which had not first or second priority for transshipment. During the winter, provisions and coal got

first priority to the island, and coming this way, potatoes and agricultural products of all kinds had priority.

I have the record for practically every day of the last two months. Of course, there may be 6,000 or 7,000 cars of goods on the island, not loaded. There might be a quantity sufficient to make up 6,000 or 7,000 cars; but as far as the records show, on March 27, three days ago, there were awaiting shipment at Borden six cars and no empties, and at Tormentine there were 182 loads ready to be taken over. At one time two weeks ago there were 565 carloads of goods waiting for shipment to the island, and that number was reduced to 182

Mr. GRAYDON: That would be natural. If such a large number of cars were waiting to go over to the island, there would not be such a large number waiting on the island because they could not have crossed to get their load.

Mr. MICHAUD: But the record shows that for days prior to the 27th the Canadian National Railways carried over empty cars which enabled them to cross over many more times than had the cars been full of merchandise, because the load was less on the boat, and this helped the farmers of the island to move their goods. For the last ten days the average of empty cars taken over was fifty a day, but for three days there were 100 cars each day taken over and for three days 100 cars each day taken back. I admit that if there had been more cars over and greater facilities, if all the cars which are loaded for transshipment had been taken over before the 27th, it would have greatly relieved the situation on the island.

Mr. GRAYDON: Whoever is responsible, I think it is generally recognized by those of us who do not come from that part of Canada, that the situation is at best terrible so far as the island is concerned. Anyone who goes there recognizes at once that the place is insular not only from the point of view of geography but from the point of view of confederation itself, and something will have to be done pretty soon, having in mind what the premier himself says. When the premier of a province starts talking about damages which that island could claim against confederated Canada the situation must be pretty serious, and I think the minister must have been well apprised of that.

Mr. MICHAUD: I have been apprised of the situation.

Mr. HANSON (York-Sunbury): I am sorry I have not with me at the moment the language used by Premier Jones of Prince Edward Island. Everything I have said relative to this service would be trite in comparison with what he has said about it, and I have no doubt the minister fully understands his language. The trouble, however, is that they did not do very much about it; they waited for nature to take care of the situation. What the minister told me about the icebreaker was just that he allowed his own judgment and that of his officials to be overruled by the master of the *Prince Edward Island* and the other engineer. The minister's own instincts were good, but he did not follow them up. They never tried the experiment of having the *Saurel* or some other icebreaker in there. That is the fault I find with the minister. They allowed the condition to remain and did not even experiment in trying to break up this ice in the winter months. Therefore I think the minister is reprehensible for not having tried to carry out his own suggestion. I suggest that the *Prince Edward Island* is an old ship. How many times has she broken down this winter? How many days' delay has been due to break-downs in the mechanism of the ship herself? If the minister has the record with him I think it will show that a good many trips were lost because of break-downs in the mechanism of this old ferry which is now in use.

I do not know what the war necessities are of which the minister speaks in connection with the use of bigger icebreakers out in the St. Lawrence, and possibly it is not proper that he should tell us, though I cannot conceive why. I do not think there are any enemy submarines in the St. Lawrence in midwinter. Of course, if merchandise has to be taken to Newfoundland, as I assume is the case, an icebreaker is necessary to keep open the lines of transportation. But I suggest that the people of Prince Edward Island are equally concerned about their communications and their right to uninterrupted traffic. I know that no fighting is going on in Newfoundland; I know we have a number of draftees there; I know there are United States armed services in Newfoundland, and I suppose the Canadian government has some obligation to them, though I do not know just what it may be. I suggest to the minister that he has failed in his duty in not making an attempt that he himself thought was the right thing to do. Therefore I say he deserves the censure of this committee.

Mr. MICHAUD: Nevertheless I submit that I did not fail. If my views were not carried out it was because of the advice and counsel

of experienced men in charge not only of the icebreakers but of the ferry as well. I could not prevail upon men with years of experience in winter navigation on the St. Lawrence to do things which, in their very best judgment, they would not want to do. I made a suggestion which as a layman I thought was feasible and practical, but I was told by men who were supposed to know better that it was not practical, and I accepted their views.

Mr. BLACK (Cumberland): I have had many communications this year and in previous years with respect to the inadequacy of the service between Prince Edward Island and the mainland. The people of the maritime provinces are not satisfied; certainly the people of Prince Edward Island have no reason to be satisfied with what has been done to serve their necessities during the last two years. The general opinion, which is widely supported, is that steps should have been taken to meet the situation immediately after the *Charlottetown* was lost. I believe that ship was lost through gross carelessness, while the person responsible for the loss was bonused or subsidized or pensioned off as a result. A new boat should have been arranged for immediately. Every person in the maritime provinces was pleased when it was learned that an appropriation was being provided and a new boat was being contracted for, but this house has been given no definite information with respect to what has been done. On February 1, at the instance of people in Prince Edward Island, I placed some questions on the order paper, asking for particulars with respect to this new boat, which I understand is now under contract. Those questions remained on the order paper until February 11, when they were made an order for return. Some weeks later I asked when that information might be expected, and the minister informed the house that it was on its way, but up to the present it has not been brought down. That information is desired by everyone in Prince Edward Island and the people of the maritime provinces generally; it is due the members of this house, who are responsible for voting this very large amount of money. A clerk in the office of the minister could give us the information in reply to the questions I asked. The first was:

1. Have tenders been called for the construction of a ferry boat to serve Prince Edward Island?

That can be answered by yes or no; I should say the answer would be yes.

2. If so, who were asked to tender, stating tender prices of each?

That question could be answered without waiting two months.

3. If contract has been let, what is the date, name of firm, contract price and time of delivery?

Those are simply questions of fact, which members of this house and those interested should have.

4. What is the tonnage, dimensions and speed?

Those questions could be answered in a few minutes.

5. What type of power plant is called for, stating horse-power and names of builders?

Hon. members are entitled to that information, and the producers of coal in the maritime provinces are entitled to it. Some time in December a delegation of four specially appointed delegates of the United Mine Workers of America, interested in the production of coal in the maritime provinces, from Springhill, and other representative citizens waited upon the minister at Moncton to make representations that this new ferry boat should have a power plant using coal rather than oil. Rumours were current that it was to be an oil-driven boat. It was pointed out to the minister that according to the best information the supply of oil from all known sources in North America will last for a matter of only about fourteen years. Therefore it is simply a business of precaution to have a coal-operated boat, especially when this would provide a home market, practically at the bank-head of the mines, for up to forty thousand tons of coal. Not only are the miners as a body interested in this matter; the association of mayors, the maritime board of trade and other public bodies have asked that this boat be operated by coal. We are entitled to that information but we have not yet received it.

Mr. HANSON (York-Sunbury): What date?

Mr. BLACK (Cumberland): February 11.

Mr. HANSON (York-Sunbury): Two months, and it would take ten minutes to answer it.

Mr. BLACK (Cumberland): Question No. 6 is:

Is the boat to be completed by one contractor? If not, state names or any other tenderers of components with cost and description of such equipment.

What is the power plant, the boilers and the engines? Steam engines, I hope, or otherwise diesel engines. That is just a matter of fact. We should have that information and, if it is not available, answers should have been brought down as complete as possible. We are entitled to the information.

Question No. 7 was:

What will be the total estimated cost of the boat fully equipped and delivered?

If the department is entering into the contract, the minister must have that information, but it is denied to the membership of this house. It is denied to the people of Prince Edward Island and the people of the maritimes.

Question No. 8 read:

Who are the architects and designers, and what fees will they receive?

This is a matter which a clerk in the office could furnish. It is a matter of record. Surely we should have the information. We should not have to wait until April Fool's day or after to get the information. That is the situation. I should like to know from the minister why the information to which the members of this house and the people of Prince Edward Island are entitled has not been brought down.

Mr. MICHAUD: Whatever information was available to the department in reply to the question asked by the hon. member for Cumberland was sent out of the department early this week to the usual channel, the Department of the Secretary of State. I am surprised that the information has not yet been tabled. It was sent out and approved by the deputy minister.

Mr. HANSON (York-Sunbury): Why was it made an order for return in the first place? It all referred to one department. Why should it take eight weeks to get this information? It must be a matter of immediate record in the office of the Minister of Transport; yet we have been denied it. That is the way the minister is treating parliament. It is not good enough. Certainly it is not good enough for the people of Prince Edward Island to have this information remain sealed within the offices of the minister and his department for eight solid weeks. Why all this secrecy about this matter. They know they have let a contract to a shipbuilding company on the St. Lawrence to build this boat. They know exactly what the terms of the contract are. They know whether she is to be an oil burner or a coal burner. The minister must know the answer to that question and I would put it to him now. Is this boat to be an oil burner or a coal burner?

Mr. MICHAUD: It is to be an oil burner.

Mr. HANSON (York-Sunbury): That is the answer. What about the other questions? Give me the list and we shall have them all. On the 11th of February the following questions were passed as an order for return:

1. Have tenders been called for the construction of a ferry boat to serve Prince Edward Island?

Mr. MICHAUD: No tenders were called for the boat.

Mr. HANSON (York-Sunbury): No tenders were called, but a contract was let?

Mr. MICHAUD: Yes.

Mr. HANSON (York-Sunbury): After the debate on this very question in the house last session?

Mr. MICHAUD: Yes.

Mr. HANSON (York-Sunbury): Who fixed the price of the boat, because a figure was arrived at? I assume that the contract calls for a specific figure. How was that reached?

Mr. MICHAUD: The contract is cost, plus fixed fee for construction.

Mr. HANSON (York-Sunbury): Cost, plus fixed fee?

Mr. MICHAUD: Cost estimated by marine architects and officers of the department.

Mr. HANSON (York-Sunbury): And employed by the government. What is the fee?

Mr. MICHAUD: It is $250,000.

Mr. HANSON (York-Sunbury): On an estimated cost of what?

Mr. MICHAUD: Of $4,500,000.

Mr. HANSON (York-Sunbury): Five per cent?

Mr. MICHAUD: Nearly five per cent.

Mr. HANSON (York-Sunbury): I suggest that fee is too high on a contract of that size. I speak subject to correction. The Minister of National Defence laughs.

Mr. RALSTON: I do.

Mr. HANSON (York-Sunbury): When I asked his colleague the other day what commissions were paid on cost-plus contracts he said five per cent was the maximum but that on large items the fee was generally much less.

Mr. RALSTON: I am laughing at my hon. friend being so anxious and so sceptical as to whether there was a contract with reference to a ferry service to Prince Edward Island. Now he finds that a contract has been made or is being made and a fee is being paid, and he is starting to kick about it.

Mr. HANSON (York-Sunbury): I am not kicking about it. I am just saying the fee is too high. Of course, I realize that a large amount of this fee will come back in taxation; I hope it will.

Mr. RALSTON: He is sorry that the contract is made.

Mr. HANSON (York-Sunbury): No; I am not sorry the contract is made. The minister has no right to impute motives to me.

Mr. RALSTON: That is just what I am doing. I never saw so many tears shed by anyone as are being shed by my hon. friend about Prince Edward Island until it happened that he found out that the people of Prince Edward Island were unfortunate enough to have lost a boat.

Mr. HANSON (York-Sunbury): I speak for the people of Prince Edward Island because the hon. members for Prince Edward Island are consistently silent.

Mr. RALSTON: The hon. members for Prince Edward Island do not take up the time of the house in talking about it. They do something. They are making every possible effort to get service to that island, but they are not advertising it the way it is being done on the other side of the house.

Mr. HANSON (York-Sunbury): They are concealing their activities.

Mr. RALSTON: I will tell my hon. friend about activities when the time comes.

Mr. HANSON (York-Sunbury): I do not care what the minister says; he cannot abuse me.

Mr. RALSTON: I know he does not care.

Mr. HANSON (York-Sunbury): I am not shedding any tears, but we have been communicated with by the residents of Prince Edward Island. I will say this to the minister: no one has condemned this government any more than has the Premier of Prince Edward Island in the statement which he made the other day.

Mr. RALSTON: I saw the statement.

Mr. HANSON (York-Sunbury): So did I. How did the minister like it?

Mr. RALSTON: I enjoy all the statements made by the Premier of Prince Edward Island.

Mr. HANSON (York-Sunbury): Now we are getting somewhere. I repudiate the suggestion that I am sorry a contract was made. I say it should have been let eighteen months before.

Mr. RALSTON: Where would you put it? What yard would you put it in?

Mr. HANSON (York-Sunbury): That is a question I cannot answer; but if I had the responsibility I would have seen that it got into some yard.

Mr. RALSTON: You would?

Mr. HANSON (York-Sunbury): Make no mistake about that. Now we have some information with regard to the price of the boat. We have the price of the fee. The minister has not yet told me what the estimated cost is to be.

Mr. MICHAUD: Yes; I said $4,500,000.

Mr. HANSON (York-Sunbury): I beg your pardon. I take that back. The minister is quite right. I am wrong. When is the time of delivery to be?

Mr. MICHAUD: If everything goes well, November, 1945.

Mr. HANSON (York-Sunbury): If there are no more acts of God that enter into the matter?

Mr. MICHAUD: That is right.

Mr. HANSON (York-Sunbury): It is now contended that the last ferry was sunk by an act of God notwithstanding the findings of a judge appointed by this government to inquire into the matter. Will the minister answer question No. 4, which is:

What is the tonnage, dimensions and speed?

Mr. MICHAUD: Yes.

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

Mr. MICHAUD: Length 348 feet between perpendiculars, and 272½ feet over all.

Mr. HANSON (York-Sunbury): Quite a big boat?

Mr. MICHAUD: Oh, yes. The *Charlottetown* was 310 feet, and the *Prince Edward Island* is 285 feet. Beam, sixty-one feet. The *Charlottetown* was fifty-nine feet and the *Prince Edward Island* is fifty feet. Draught, nineteen feet; that cannot be changed because of local conditions.

Mr. HANSON (York-Sunbury): I can understand that.

Mr. MICHAUD: Power: 12,000 horse-power. The *Charlottetown* was 8,000, the *Prince Edward Island* is 7,000. The new car ferry is supposed to take nineteen loaded modern freight cars. The capacity of the *Charlottetown's* load was sixteen and the *Prince Edward*

Island's is ten. Automobiles: The new car ferry will take sixty cars. The *Charlottetown* took about fifty-six cars, and the *Prince Edward Island,* I think, takes forty cars.

Mr. HANSON (York-Sunbury): I ask the minister this question: Was not all this information sent down to a little country newspaper in Summerside and published to the world, while the department refrained from giving the information to the hon. member for Cumberland. It was published to the world at a time when they would not give the information to the hon. member for Cumberland. I read a Canadian Press dispatch, dated three or four weesk ago, in a paper called the Summerside *Pioneer,* giving this information at a time when these questions were lying unanswered in the minister's office. Did that information come from the department?

Mr. MICHAUD: I do not know.

The ACTING CHAIRMAN (Mr. McCann): I would call the attention of hon. members to the rules of the house which state that speeches in committee of the whole must be directly relevant to the item under consideration. Both the minister and the hon. member for York-Sunbury are entirely out of order, and they both know it. The item before the committee has to do with an entirely different expenditure from one on an ice-breaker which will be made in 1945.

Mr. HANSON (York-Sunbury): Mr. Chairman, technically speaking you are right, but my remarks arose quite naturally and I should like to say this in extenuation. If you will apply your same ruling to the Minister of National Defence and the tongue-lashing he gave me, I shall be content.

Item agreed to.

449. Construction, maintenance and supervision of aids to navigation, including salaries and allowances to lightkeepers—further amount required, $21,000.

Mr. MacNICOL: This item refers to lightkeepers, and I should like to know if it covers those in the lighthouses on the Mackenzie River?

Mr. MICHAUD: No.

Item agreed to.

Railway service—

450. Hudson Bay railway—to provide for the difference between expenditures for operation and maintenance, and revenue accruing from operation during the year ending March 31, 1944—further amount required, $141,000.

Mr. PERLEY: Can the minister tell us just how near the expenditures and revenues are.

Mr. MICHAUD: The following is a comparison between the estimated operating results for 1943-44 and the original estimates:

	Estimated results 1943-44	Original estimate 1943-44	Increase over amount provided
Maintenance ...	$418,856	$367,856	$ 51,000
Operation	580,000	446,000	134,000
	$998,856	$813,856	$185,000
Less gross revenue	644,000	600,000	44,000
Deficit	$354,856	$213,856	$141,000

Item agreed to.

Civil aviation division—

454. Airways and airports—operation and maintenance, including lighting, radio and meteorological services—further amount required, $47,000.

Mr. HANSON (York-Sunbury): This item will not preclude any discussion on civil aviation on the war appropriations of the Minister of Munitions and Supply?

Mr. MICHAUD: No.

Item agreed to.

Radio division—

455. Administration of the Radiotelegraph Act and regulations—further amount required, $11,695.

Mr. GRAYDON: Is there any special reason why these items should have been taken out of the Department of Transport and placed under the supervision of the Minister of Munitions and Supply?

Mr. MICHAUD: The leader of the opposition will see by a note in the estimates that this was done under order in council dated July 8, 1940. Most of the aviation services were used almost exclusively for war services; the Minister of Munitions and Supply was supervising the maintenance and expansion of these services, and therefore they were placed under his department.

Item agreed to.

DEPARTMENT OF AGRICULTURE

Marketing service—

416. Marketing service administration—further amount required, $2,275.

Mr. SENN: Is the minister in a position to answer the question I asked about floor prices?

Mr. CRERAR: I have some additional information which I think will help to answer the question asked this afternoon by the hon. member for Haldimand. This matter was explained in a food bulletin issued by the

wartime prices and trade board on June 7 last, and I do not think I can do better than read the statement contained in this bulletin on floor and ceiling prices on beef. The statement reads:

Steps to ensure a steady supply of beef for the meat trade have been completed by the wartime prices and trade board, which has also finalized regulations for year-round pricing.

Last October the board stated that wholesale ceiling prices for beef reached on May 27 would remain in force for an indefinite period. These prices were defined for carcasses, sides and quarters in order 252 in March. Ceilings on wholesale cuts are now set in order A.734, covered elsewhere in this bulletin.

At any time in the coming year when the market is not well supplied, retailers will be protected by these wholesale ceilings.

Wholesalers and producers also are protected. Floor prices have been set on dressed beef which next fall and winter will correspond to the seasonal ceiling prices of last fall and winter. The Department of Agriculture will prevent beef prices from falling below these levels by buying dressed beef whenever a surplus supply appears to endanger the market. Otherwise the market will be permitted to take its normal course.

From these purchases the department will build reserves. The reserves will be used in periods of scarcity to meet requirements of meat dealers under rationing. What is left will be used for possible Allied needs.

From May 27 to August 14 the floor price for carcass beef will be one-quarter cent per pound less than the wholesale prices set in order 252. From August 16 to September 18 the floor price will be one cent below the ceiling and from September 29 to December 18 it will be at the level of last year's ceiling for the same period, that is, two and one-quarter cents below this year's ceiling. On December 20 the floor price will be raised by one-half cent per pound. Further one-half cent increases will take effect February 7, March 20 and April 24. On April 24, 1944, the floor price will be back to one-quarter cent below the ceiling.

That, I think, gives the information which was asked for by my hon. friend. The ceiling price on beef is a flat price and it applies, I understand, the year round. The price of beef wholesale cannot go above the ceiling price fixed. That naturally governs the retail price, and in that way the consumers are protected. When the wholesale price of beef declines according to the terms of these orders, the element of competition comes in and the sale price of beef in the butcher shops falls owing to the operation of ordinary competition. I believe it is correct, although I have not verified it, that the prices are checked through steps taken by the wartime prices and trade board. If the price of beef in any one of these periods goes below the base set the Department of Agriculture through the meat board steps in and buys the beef.

Mr. SENN: They are supposed to, but they do not.

[Mr. Crerar.]

Mr. BLACKMORE: They do not, and that is the trouble.

Mr. CRERAR: The deputy minister of agriculture is in the gallery and I will ask him to come down. The maximum price is in May, and as the months go by, the wholesale price for beef declines until it reaches the low point in December. Then it commences to rise again. Increases have taken place in the price on February 7 and on March 20 and another increase will take place on April 24. These are the orders issued by the wartime prices and trade board, after the subject had been under discussion between the board and the Department of Agriculture. I hope I have made the procedure reasonably clear to the committee.

Mr. ROWE: Can the minister say whether the Department of National Defence has purchased meat at other than the floor price?

Mr. CRERAR: The Department of Munitions and Supply does the buying for the defence services, and I am informed that a good deal of their purchases are made at the ceiling price.

Mr. FRASER (Peterborough West): And above the ceiling.

Mr. SENN: I have listened with a good deal of attention to the minister's explanation, and I am glad to know that a bulletin was issued setting out the prices that were to be paid at different times, and that floor prices at least were put into operation at different times. But this year is not through yet, and our freezers are full of beef and our barns and stables full of cattle which the farmers find it almost impossible to sell. A short time ago, when the Minister of Agriculture was speaking on this very subject, he stated that the farmers should hold their cattle until perhaps a better price was to be had, but unfortunately, as the minister knows, and as every producer and every feeder knows, cattle, like hogs and almost every other line of farm products, must be sold at a certain time if the farmer is to reap the most benefit from his labours. It is true that the meat board has purchased a certain amount of beef for export to the United Kingdom, but I believe that the Minister of Agriculture made the statement some time ago that it was mostly what he called cow beef. He stated that some eleven million pounds had been sent to the old country. I do not think that is good for the reputation of our beef in that market, because it is not the best quality of beef by any means. I am sure it will give our beef a black eye in the motherland. I do not think the minister

will be able to state for a moment that all the beef that is around the market to-day for sale is being purchased by the meat board. As I understand it, they have the power to buy this beef only when it gets below the floor price.

Mr. RALSTON: To the floor price, not below.

Mr. SENN: Within a quarter of a cent of the floor price, or at the floor price. I do not think that has been done. It has not been possible for the government or the meat board to do it. I wish the minister would state whether they have done it or not, because unfortunately our barns and stables are full of cattle.

Mr. RALSTON: Does my hon. friend mean that the board is not prepared to buy when the price gets down to within one quarter of a cent of the floor price?

Mr. SENN: I do not think it is possible for them to do it.

Mr. RALSTON: Why is it impossible?

Mr. SENN: Because the freezers are full and they have not the transportation facilities to ship it to the old country.

Mr. RALSTON: In that event it would not make any difference what the price is.

Mr. SENN: If they are going to stabilize the price—and that is their duty—I can only say that that has not been done. Our barns are full of cattle that have to be held because the farmers cannot get a price that will pay.

Mr. RALSTON: Does the hon. member say that there is not an offer out by the board to buy it?

Mr. SENN: There may be. If the minister says that that offer stands good and that they are prepared to buy all this beef, that is a different story.

I should like to ask one more question of the minister. One of the powers of the meat board is to determine prices to both packers and other persons as provided for, to establish the differentials in prices which will be paid for official grades. Has that been done? As I understand it, there are only one or two different price ceilings for the different grades. If these floor prices are to be governed by the official grade, as the minister well knows, there are a dozen grades of meat and there has not been that number of ceiling prices set. Will the minister explain just how they do determine the prices as mentioned?

Mr. CRERAR: The first point raised by my hon. friend may be answered in this way. It is well to understand the principle upon which these prices operate; that is, there is a ceiling price for beef which remains stationary throughout the year.

Mr. ROWE: That is for the retailer.

Mr. SENN: How many different grades?

Mr. CRERAR: For both the retailer and the wholesaler. That is what I am advised, and I think it is correct.

Mr. ROWE: Not for the producer, though.

Mr. CRERAR: There are times when these prices decline, and then ordinary competition will bring the retail price of beef below the ceiling price for beef. That continues until a certain period, and then prices commence to rise again. That means this, as I understand it, that there is a ceiling price and a floor price, and the floor price is the essential thing. Some may think there is too great a difference, that the floor price should be higher, but the basic fact is that there is a floor price of beef below which it is not permitted to go. I am advised that the prices have not reached the minimum point, and that is why the activities of the board of the Department of Agriculture which supervise this have not been greater than they have been. I think that is a correct statement. The thing to remember is that there is a floor price. If the price tends to drop below the floor price, the government through the Department of Agriculture steps in and buys the beef, and maintains the price, and it ships the beef overseas or makes what disposition it can of it. I understand that there has been, largely because of difficulties of transportation, an accumulation of beef. Those are difficulties which probably are inherent in the kind of situation and the sort of conditions under which we live and work, but the probability is that that condition will clear up. I believe it is clearing up now. I have noticed, for instance, on the Winnipeg market that certain classes of beef cattle have advanced in price in the last several weeks, and I dare say that that is true elsewhere. The important thing to keep in mind is that there is a floor price and that the price of beef will not be allowed to go below the floor price.

Mr. BLACKMORE: With respect to the minister's remark, may I read part of a statement which was recently submitted to the government by representatives of 289 farmers who met in Lethbridge on March 15. It was presented by three men called E. Burton, A. B. Haarstad and R. H. Dahl. I quote from page 3:

. . . prices offered for fat cows ranged between $6.50 to $7.25 per hundredweight. These values

are below the level at which it had been promised by Ottawa that market supporting purchases by the wartime food corporation would be made.

That is conclusive evidence, if it is true, that this ideal which was to be built up just simply was not working in practice. There is no time this evening to go into considerable detail on this question, but I promise that I will bring this matter up and we will go into detail just as soon as the opportunity arrives. The minister, however, has been misinformed: he has been told how the thing ought to work, but he has not been told how it has worked. There was reported a great shortage of space and the packing plants were all supposed to be filled. It is observable all through my area, however, that whenever the price went down low enough, packers could buy the cattle all right whether they could ship them or not, and the policy of the packers was to force prices down so that farmers in many cases were compelled to sell at a loss.

Mr. CRERAR: I see that several hon. members are anxious to participate in the discussion, but I wish to clear up these points as we go along. On the point made by the hon. member for Lethbridge, I am advised it has this much foundation, that there was one period, several weeks ago, when because of congestion in shipments the condition which he refers to did happen, but only for a very short time.

Mr. BLACKMORE: It is happening now, in respect of fat steers.

Mr. CRERAR: My information is different. It is all very well to have statements appear in the newspapers—

Mr. BLACKMORE: We can support it.

Mr. CRERAR: But statements made, one way and the other, should be carefully checked and verified—

Mr. BLACKMORE: We are going to check them.

Mr. CRERAR: —before they are made on the floor of the house.

Mr. ROWE: The best way to check them is to try to sell a few cattle.

Mr. BRYCE: I am very sorry this has come at this late hour. We do not have an opportunity to say what we want to say about it. The minister has explained the scheme which was intended to work, but it did not work, because there was only a ceiling and a floor on dressed beef. The farmer does not sell dressed beef; he sells cattle, sheep and hogs. The minister pointed out that on March 20 there was a rise in the price of beef of one dollar per hundredweight. That day on the Winnipeg market cattle went down fifty cents per hundredweight; that is, the same price. That system did not work. So that we have the situation which the hon. member to my left referred to at Lethbridge when the congestion occurred there. That congestion has come about by the farmers supplying the government with what they wanted. A year ago they asked us to keep back our light steers and feed them another year to get that extra meat. We have done that, but the government has failed to make arrangements to take these cattle off our hands. I was ruled out of order the last time I spoke in this chamber, because I referred to seventy-cent sheep. Where was the meat board when you could buy a whole sheep in Winnipeg for seventy cents? There is something radically wrong with our system when that takes place. I wrote to the Minister of Agriculture and pointed out where cattle were selling on the Winnipeg market below the floor. When you have no floor on live cattle the price can go anywhere. The situation in the west now is that pressure has been brought to bear on the government to take some of that cow beef which has come along. What has happened? The price of our steers has dropped. I ask the minister if the government or the meat board are still carrying on the system that they will not buy red or blue ribbon beef, they are only buying commercial beef to-day. If they are doing that, that good beef we produce, through lack of space, is left on the farmer's hand. Food is getting short, and men in the west are feeding nothing but wheat and straw because the cattle should have been away two months ago. I do not want to take up the time of the committee. I am sorry that the Minister of Agriculture is not here, and what the other minister has said does not explain the situation.

Mr. AYLESWORTH: The minister has explained that the government has not been able to see anything but floor prices, and in answering an hon. member over here, in regard to the condition we find ourselves in at the present time, I am sure that everyone in this chamber will agree that the trouble goes back to the time when this government took steps to prevent our cattle from going out of Canada and at the same time instituted the rationing system. When one considers that we produce over 250,000 head of cattle a year more than we can consume, it does not take a lawyer to figure out that in a short time, in the course of a very few weeks or a few months, we were bound to find ourselves in the very mess that we are in to-day. We have more meat in this country at the present time than either the government or the packers or the

people of Canada know what to do with. There are only two ways of getting rid of that meat; and if the government, through the meat board, is not able to ship this beef out to Britain, then in my opinion our only hope is to allow the cattle which have been coming east from Alberta and Saskatchewan in the last few months to go back to the market in the United States which the farmers have had for many years.

The whole set-up has been wrong from start to finish, and the longer it continues the worse it becomes. As far as the ceiling price is concerned, as I said two years ago it has never been fair. It has not been equitable from the very start. There is something which I cannot understand, and which I submit the minister ought to explain, namely, why, when we have a ceiling fixing a certain price for the producer, that ceiling is not kept. The first one who broke these regulations in regard to ceiling prices was the government itself. The government in the past two or three months have been setting a very bad example to other buyers of beef. They have been buying nearly all their beef, not at the ceiling price, but at floor prices. I refer to beef that has been purchased for the armed forces both here and elsewhere. In my opinion, if that beef had been brought at ceiling prices, the situation would not have been as bad as it is to-day. If the government had been paying ceiling prices, it would have avoided a great deal of dissatisfaction among the stock raisers of Canada.

What the producer receives and what the consumer pays are altogether out of line. As I said two years ago, the price the consumers pay could have been left at the same level and the producer could have been allowed a cent on the ceiling, because we all realize that there has never been such a spread in the history of the country as there is between the price which the producers receive and the price which the consumers have to pay. I am sure that if the government had set the ceiling on beef at a cent higher that ceiling could have been observed for the benefit of the producers, and yet the consumers would not have had to pay more.

Hon. members realize, I am sure, that with the retail price that is being charged to the consumer and the price that is being paid on the ceiling, the retailers of this country have never made as much money as they are making under the present set-up.

The time is coming when the government should see that there is a more equitable spread between the price the producer receives and the price the consumer pays. I repeat, in my opinion the price to the producer could have been a cent higher and yet the price need not have been raised one cent to the consumer.

Mr. SENN: There were a number of other questions that I should have liked to ask in regard to dairy products and other matters, but I have refrained from doing so because I do not want to hold up the estimates.

Mr. CRERAR: I thank my hon. friend. The agriculture estimates for the next year have still a good many items to pass and these points can be cleared up when the minister of Agriculture deals with them.

Mr. GRAYDON: Do not hold up the estimates.

Mr. CRERAR: There will be full opportunity to discuss those questions, and I thank the leader of the opposition for the suggestion.

Item agreed to.

Resolutions reported, read the second time and concurred in.

WAYS AND MEANS

SUPPLY BILL

Hon. J. L. RALSTON (Acting Minister of Finance) moved that the house go into committee of ways and means.

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

Mr. RALSTON 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, 1944, the sum of $2,754,162.56 be granted out of the consolidated revenue fund of Canada.

Motion agreed to.

Resolutions reported, read the second time and concurred in. Mr. Ralston thereupon moved for leave to introduce Bill No. 65, for granting to His Majesty certain sums of money for the public service for the financial year ending the 31st March, 1944.

Motion agreed to, bill read the first and second times, and the house went into committee thereon, Mr. McCann in the chair.

Bill reported.

Mr. RALSTON moved the third reading of the bill.

Mr. COLDWELL: Before third reading is given, I hope that another year we may have the supplementary estimates brought down a little earlier than this, and that the ministers who are to be questioned will not be going

away to the west before the house rises. I do not think the house has been treated fairly in this respect to-day.

Mr. CRERAR: The Minister of Agriculture (Mr. Gardiner) has not left for the west; he is on business in the province of Ontario.

Mr. COLDWELL: That is what I was told.

Motion agreed to and bill read the third time and passed.

On motion of Mr. Crerar the house adjourned at 11.07 p.m.

Friday, March 31, 1944

The house met at three o'clock.

RAILWAYS AND SHIPPING

Mr. J. P. HOWDEN (St. Boniface) presented the second report of the standing committee on railways and shipping, owned, operated and controlled by the government.

REFERENCE TO COMMITTEE OF SUPPLY

Mr. RALSTON moved:

That Nos. 387, 388, 408 and 409 of the estimates for 1944-45, approved and reported upon by the standing committee on railways and shipping owned, operated and controlled by the government be referred to the committee of supply.

Motion agreed to.

UNITED NATIONS

REHABILITATION AND RELIEF ADMINISTRATION—PROPOSED MEETING IN MONTREAL IN JUNE

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, on March 24, in reply to an inquiry by the leader of the opposition, I said that the government had cordially welcomed the proposal that the council of the United Nations Relief and Rehabilitation Administration should hold its next meeting in Canada. Hon. members will have noticed that the acting director general of the administration, Sir Arthur Salter, has announced in Washington that the next session of the council will open in Montreal on June 23. I am sure that the people of Canada are glad to know that arrangements have been made for this important international body engaged in a great humanitarian task to meet on Canadian soil. I feel that I can promise a warm welcome to the members of the council and the officers of the administration.

[Mr. Coldwell.]

POST-WAR CIVIL AVIATION

MEETING OF COMMONWEALTH PRIME MINISTERS

On the orders of the day:

Mr. GORDON GRAYDON (Leader of the Opposition): The Prime Minister of New Zealand, Mr. Peter Fraser, is reported to have stated in the New Zealand parliament yesterday that as an alternative to international ownership and control of post-war civil aviation New Zealand is prepared to support a system of imperial air trunk routes across the Pacific, owned and operated by British and dominion governments. In view of this announcement would the Prime Minister inform the house whether or not civil aviation will be one of the subjects on the agenda for discussion at the forthcoming meeting of commonwealth prime ministers?

Right Hon. W. L. MACKENZIE KING (Prime Minister): My hon. friend was kind enough to tell me that he intended to ask this question. In reply I would say that the meeting of prime ministers which is to be held in London will not be in the nature of an imperial conference at which subjects would be considered in detail, with the presence of experts and advisers, but will be in the nature of an exchange of views between the prime ministers of the different nations of the commonwealth on the general war situation, war policy and post-war problems.

I doubt if I should at the moment attempt to go further in indicating the general nature of the meeting.

Mr. GRAYDON: This would be a post-war problem, and perhaps it would come within the ambit of the discussion to be carried on.

Mr. MACKENZIE KING: That is right.

BEEF CATTLE

EXPORT OF SURPLUS—EMBARGO ON SHIPMENTS TO UNITED STATES

On the orders of the day:

Mr. R. W. GLADSTONE (Wellington South): Mr. Speaker, I desire with the support of the hon. member for Lambton-Kent (Mr. MacKenzie) and other members, to direct a question to the acting Minister of Agriculture. In view of the fact that large numbers of heavy cattle are now ready for marketing, and of the inability of the producer to sell these cattle on existing live stock markets, will the Department of Agriculture through the meat board arrange to take our surplus beef off the market immediately for export at ceiling prices? Also will the govern-

ment refer the whole matter of marketing beef cattle and prices to the committee on agriculture for study and recommendations?

Hon. T. A. CRERAR (Acting Minister of Agriculture): I am not in position to give a definite answer to either of the questions asked by my hon. friend, but I shall draw them to the attention of the Minister of Agriculture (Mr. Gardiner). In any case the latter part of the question could be dealt with after the Easter recess.

Mr. ROWE: As the hon. member for Wellington South (Mr. Gladstone) has said, many cattle at this season are heavy and are finished and the farmers' feed is becoming exhausted, with market conditions unfavourable for selling at a profit. I would therefore urge upon the government that they give consideration to lifting the embargo on cattle going to the United States.

Hon. J. L. RALSTON (Acting Minister of Finance): Perhaps I can answer that, as it has to do with the wartime prices and trade board. The matter has been and is still under consideration.

LABOUR CONDITIONS

MOVEMENT OF MAN-POWER FROM INDUSTRIES TO FARMS

On the orders of the day:

Mr. KARL K. HOMUTH (Waterloo South): I have a question I should like to direct to the Minister of Labour. I am sorry I could not get in touch with him at his office, but it may be sufficient if I refer to a telegram which I sent him the day before yesterday. This is a matter of urgent public importance, but I did not move the adjournment of the house because I thought it would delay the proceedings this afternoon. Perhaps if I read the wire the minister could give an answer. It is addressed to the minister and reads:

> Many farmers holding important jobs in industry must return to farms end of this month. Impossible to get on land for some weeks yet. Cannot time be extended? Local officers say they have no power.

Can something be done in regard to this matter?

Hon. HUMPHREY MITCHELL (Minister of Labour): Action along the lines suggested by my hon. friend was taken before the receipt of his communication and directions have gone out to selective service officers to time the movement from industry to the farm in conformity with weather conditions.

CANADIAN ARMY

BEET SUGAR INDUSTRY IN ONTARIO—USE OF DRAFTEES FOR FARM LABOUR

On the orders of the day:

Mr. H. A. MacKENZIE (Lambton-Kent): I should like to direct a question to the Minister of National Defence. The sugar beet acreage contracted for up to date in southwestern Ontario is only a quarter of the maximum acreage called for. This is due mainly to the doubt of sufficient labour supply being available to harvest the crop, and seeding time is at hand. In view of the rationing and scarcity of sugar I should like to ask the Minister of National Defence if he will release enough draftees with some farm experience from adjacent training centres to assure the growers that the crops will be harvested, if the Department of Labour are unable to supply sufficient help in the hoeing and harvesting season.

Mr. PERLEY: Put it on the order paper.

Mr. SPEAKER: Perhaps the question asked by the hon. member for Lambton-Kent should be placed on the order paper, but the leader of the opposition on Wednesday suggested that some latitude should be given because of the Easter recess. I agree, and I think perhaps this question might be answered now by the minister.

Hon. J. L. RALSTON (Minister of National Defence): Mr. Speaker, the hon. member was kind enough to let me know that he intended to ask this question. This is really a matter for my colleague, the Minister of Labour (Mr. Mitchell). However, I can say that representatives of the industry had an interview with me and also with the adjutant-general. To answer my hon. friend's question specifically, the answer would be in the negative—that is, men in training centres could not be made available for this purpose. I can say further that the responsible officers, in conference with the Department of Labour, are exploring the possibility of arranging to make available a considerable number of prisoners of war. However, this would be dependent upon security arrangements being approved by the Royal Canadian Mounted Police.

REQUEST FOR RELEASE OF CERTAIN CATEGORIES FOR FARM WORK

On the orders of the day:

Mr. W. F. RICKARD (Durham): Mr. Speaker, can the Minister of National Defence not give us an assurance that some of these B-2 and C men in the army will be released for farm operations in general? A great many men in those categories who are perhaps none too necessary in the army would be of great assistance to the farmers.

Hon. J. L. RALSTON (Minister of National Defence): I think the parliamentary assistant made a full statement with regard to the position which the department takes, and I would rather hope that my hon. friend after reading the statement will realize that we are doing everything possible in connection with that matter. As a matter of fact we are going farther than we did last year. But my hon. friend will remember, of course, what year this is.

CHINESE NATIONALS

REMOVAL FROM TRAINS PROCEEDING TO CANADA FROM THE UNITED STATES

On the orders of the day:

Mr. GORDON GRAYDON (Leader of the Opposition): During the debate yesterday I directed a question to the Minister of Mines and Resources which subsequently was partly answered by the Prime Minister. The question was based upon a communication stating that citizens of Chinese origin allegedly had been taken off trains when entering Canada. This matter formed part of the discussion yesterday but I do not think it was cleared up. It may be that neither the Prime Minister nor the Minister of Mines and Resources can do that, but perhaps the Minister of Transport ought to look into the matter to see just what is the position of the railway companies. If there is something relating to international matters which should not be made public, I have no objection to the government's taking that position. But at the moment everyone is confused as to just what happened, and I think we ought to have a statement from one department or the other.

Hon. T. A. CRERAR (Minister of Mines and Resources): I stated yesterday that the lady had not been asked to leave the train by any Canadian government official. I would say further for the information of my hon. friend that she was not at any time on Canadian territory. The assumption therefore, although we have no definite information on this, is, it was by the railway officials of the United States line carrying her to the border point that she was asked to leave the train. Apparently no official of a Canadian railway had anything to do with the matter, any more than had any official of the immigration department.

Mr. GRAYDON: In other words, no Canadian had anything to do with it at all?

Mr. CRERAR: That is my understanding.

Mr. GRAYDON: That is fine.

[Mr. Rickard.]

Mr. CRERAR: I am advised definitely of this, that she was not on Canadian territory at any time, and if she was not on Canadian territory it is a reasonable assumption that she was asked to leave the train proceeding to the border probably by officials of the train.

Mr. GRAYDON: And it was an American train?

Mr. CRERAR: Of course, it was an American train.

PRICES AND TRADE BOARD

CHARGES AGAINST REPRESENTATIVE AT MONT-LAURIER

On the orders of the day:

Hon. J. L. RALSTON (Acting Minister of Finance): Mr. Speaker, yesterday the hon. member for Labelle (Mr. Lalonde) asked me what steps had been taken by the wartime prices and trade board regarding J. A. Forget, local representative of the board at Mont-Laurier. I am advised that the board has dispensed with Mr. Forget's services.

WAR APPROPRIATION BILL

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

The house resumed from Tuesday, March 28, consideration in committee of a resolution to grant to His Majesty certain sums of money for the carrrying out of measures consequent upon the existence of a state of war—Mr. Ilsley—Mr. McCann in the chair.

DEPARTMENT OF TRANSPORT

Air services branch—

3. Civil aviation: operation and maintenance of municipal (terminal) airports, $398,260.

Mr. CHURCH: Mr. Chairman, last Tuesday night I had risen to take part in the debate on civil aviation, although I had had no previous knowledge that it was coming up. There always seems to be a mystery as to when this subject will come up, yet there has never been a more urgent matter of national and international importance on which there has been such a wide division of public opinion. The minister and the government need not criticize the opposition, because, after all, what we are doing is submitting constructive suggestions. Let it not be forgotten that a whole year has been wasted in dealing with this problem, ever since April 2 of last year when the policy was announced in which the empire was not linked up at all as a unit. It will be April 2 next Sunday again, and in all that year nothing has been done about this problem. True, the

minister did go to London last May and a conference was held there and an announcement made, but the announcement does not go far enough.

Between these two great wars, Mr. Chairman, the question of civil aviation has been almost a forgotten topic, and any work done in civil aviation has been done by private enterprise and by private companies with little or no support from the government, even in the old land. In this country civil aviation was left to private enterprise entirely. Those great war pilots, Bishop, Barker, Collishaw and Frederick Handley Page, were in Toronto after the last war and I discussed the matter of civil aviation for many days with them then and there and with Frank McGill. But as a dominion we seem to have forgotten all about civil aviation ever since the last war. We left civil aviation to struggle as best it could. Very little money was provided for it in the estimates; it was left, like John Brown's body, to hang on a sour apple tree. Then came the great war, and we have seen the glorious achievements in the air of the young Canadians who joined the Royal Canadian Air Force and the Royal Air Force. In the battle of Britain our very existence was at stake, and we as a nation owe an unrepayable debt to those brave young men who went up by night and day to save the world and civilization.

In the domestic aspect of this question, in my humble opinion, mistakes have been made. In the period before the great war and between the two wars the national railways spent large sums of money on useless branch lines and duplication of facilities, while the rival road pursued the policy of private ownership. What I object to in connection with this particular policy of the government is that it is a small nation policy. I tell the government that the day of small nations is over, and that this war has shown it. Mechanized hordes have trampled down small nations all over Europe. Our resources as a people are limited; we cannot compete with the great powers; our only course is to play the game cooperatively, to lay all our cards on the table, and unite on this great problem as a unit with the mother country and our sister dominions. True it is that I approve, as I believe my party on this side of the house approve, of continuing Trans-Canada Air Lines. But one of the weaknesses of the government policy is that it omits entirely any reference to the empire as a unit, and little or nothing was said about the London conference—which had to be continued at Washington—except a quotation from Lord Beaverbrook. I have urged for four years a unified empire policy. We as part of the empire should not forget that it is through Britain's command of sea power for the past three hundred years that the oceanic empire was developed. Let it be so again in the air.

I believe also that the Canadian Pacific Railway through its affiliations should be allowed to carry on its airways and continue the good work it has done. I do not urge this as an opponent of public ownership. I have been a real public ownership man all my life—not a supporter of public ownership in the sense that the national railways sometimes have been carried on in the past, but favouring real public ownership, for instance, of light, power and transportation utilities in the city I come from, where they were taken over and are operating at a large profit. I believe the Canadian Pacific Railway has done a great deal for the British empire on land, sea and in the air., and particularly in uniting the empire before the war through their magnificent ocean services.

So far as our domestic policy is concerned, there has been no interference by the mother country with the dominions. Each has its own status, its own sovereignty, its own autonomy. Under the statute of Westminster each dominion looks after its own home defence and domestic affairs along the lines indicated. Let us not forget that.

I repeat that we must regard the British commonwealth of nations as an air unit. No part of that empire is more than two thousand miles away from another part. I am wholly in favour of developing an interlocking empire service. By so doing we shall forge a strong link to hold the empire together. This can be done in a whole-hearted cooperative way, and if that atttiude is taken I am sure the cooperation of the other dominions will be obtained. Mr. Fraser and Mr. Curtin, those two great imperial statesmen who are the prime ministers of New Zealand and Australia, have shown and led the way. But this can only be accomplished by subordinating sectional interests in the empire sense and not trying to gain local advantage for this country or that. Let us cut red tape and seek to deal with the matter on the principle of lease-lend, which has been so effective hitherto in this war. The dominions expect the mother country to take the lead, and if they are given an energetic lead all will be well. The position of Britain and of the empire and of this country as a world power depends upon the place it holds in the air. The greatness of Britain as the centre of the commonwealth of nations arose from the fact that for two

hundred years she was predominant upon the sea, and she can be equally dominant in the air if only she rises to the occasion.

As regards air transportation, I think that our officers and men of the air force should be allowed to transfer to the civil organization. As regards management, I could never understand why a public ownership body like the Canadian National and T.C.A. had to go to private ownership for an air leader, nor do I understand why they should continue that policy in future. Why should they not look to the thousands of young men who are protecting us in the air overseas? Many of the best business executives we have in the country are serving us in the skies overseas. After all, who is paying for our part in this war but the Canadian taxpayer? In my opinion Trans-Canada Air Lines should be reorganized, and somebody put at the head of it who is a real public ownership man, who is not satis- a real public ownership man, who is not identi- support it from beginning to end.

It will be one year next Sunday, April 2, since the Prime Minister made an announcement of air policy. There are two or three things I like about it, but I oppose its isolation and lack of empire outlook.

Reference has been made to the selection of the Douglas DC-4 by the Trans-Canada Air Lines. It is obsolete. They say that the Lancaster is unsuited for civilian purposes, but it has been shown by Handley Page and others in the old land that some of the bombers can be readily adapted in a few days for use as transports, and also Lancasters by simple changes in design by research at Malton.

I do not believe that in connection with this aviation problem we have given sufficient attention either in this war or the last, to scientific research. As I said last evening, one needs at each large university a chair in this particular work. We know what science properly applied has done in the last seventy-five years in the utilization of oil, gas and falling water and many other agents of power and industry. It has won the admiration of the whole civilized world. Why? Because science argues from fact; it does not argue in the realm of doubt and opinion. Look at the progress which medicine has made in the last fifty years. Properly stimulated, similar progress could be made in research in the air. I believe that the government will waste a lot of money by utilizing the Douglas DC-4 for its civilian air service. A much better plan could be worked out along the lines I have indicated. Canada should try to take the lead in the field of design and should prepare a definite policy for the next twenty-five years. Fundamental changes will occur in the future. Aviation in Canada is yet only in its infancy. Research, design and experimentation will be more important than ever. In Canada and in the empire we are on the threshold of a grand new age which will revolutionize aeroplane construction and the development of aeroplane engines. In this field high speed is essential to supremacy. Problems of all sorts arise; science and research will provide even lighter alloys and new types of wings, engines and parts which will withstand various climatic conditions the world over.

I do not think Canada should have a monopoly in connection with civil aviation, any more than she should have a monopoly in connection with design. No doubt immediately after the war improved aircraft for the transportation of passengers, emergency foods and many other articles will be absolutely necessary, because when the war is over the railways and other forms of transportation will be choked. So it will be of the utmost importance that there be close cooperation and mutual understanding between Great Britain, the United States and the dominions.

I believe this question, instead of being a secret with the minister and the government, should be considered by the committee on railways and shipping, which dealt with one aspect of this question the other day. It should hear all sides of the question. Trans-Canada Air Lines, Canadian Pacific Air Lines and private lines in this country, which carried on the work of civil aviation between the two wars, should be heard and a proper policy should be adopted. We are now embarking upon a policy of complete isolation from the mother country; we are going over the heads of Australia and New Zealand, and I say we are at the parting of the ways. I warn hon. members of the danger; I say we should stop, look and listen to the advice of those who have seriously considered this matter. When the young people come back from the war and look for employment, where will they find it? The other night reference was made to Russia. That country will have nothing to do with this internationalization of air routes; neither will the United States. Washington simply shudders, as does the Republican party, at the mention of any sort of internationalization which will lead to another war. I believe we should clean our domestic house first of all. We should solve the domestic air problem; then we should move into the imperial problem in consultation and collaboration with the other dominions. After that is done, and we have a real empire policy, we can move into the international sphere. The mother

country led the world on the sea for two hundred years; she will lead the world in the air in the days that are to come.

I suggest to the administration that one of the most important things to be done is completely to reorganize Trans-Canada Air Lines. One of the greatest mistakes we made in this war as a people was to surrender too much military, financial, economic and social initiative to Washington. It is of the utmost importance that we should come to an agreement and understanding with the United States, our great ally, and I believe one can be reached quite easily; still I say we were asleep between the two wars. This empire came into being because of the sea and it cannot exist except by the sea. As far as the personnel of T.C.A. is concerned, I think both officers and men agree that after the war in Canada the civil service of the air should be a fine field for them, with steady work. The situation in regard to the management is most important also, and I hope the government will see that those charged with this duty will get the very best men available, whether it be left with the present minister or transferred to someone else or some other department.

Having laid down some principles as to policy, the first question to be considered will be that of the freedom of the air. The closed air doctrine following the last war gave rise to a great deal of trouble internationally. There seemed to be a great fear of allowing the passage of aircraft over countries, as by our navigation laws ships are allowed to pass over the waters of the oceans to our ports. The main point is that we should decide on the right policy and carry it through. At the present time this empire needs another Joseph Chamberlain to carry this great empire air scheme to the dominions. He was a pathfinder for the empire, and at the present time we need some great statesman as a pathfinder to deal with this air question, as it has been dealt with by Mr. Curtin in Australia and Mr. Fraser in New Zealand. The new empire in the world to come after the war is over will be held together largely through the air, and Canada will not be able to exist or prosper without a proper policy in that regard. There is no use starting out to hog all the rights in the air. The air should be free for all who wish to use it, under our domestic law; the laws of the air should be on the same basis as the laws relating to navigation by ships. Canada must not say, "We want it all in home affairs; we will not have any domestic competition." Competition is the life of free transportation, and there must be freedom of the air under drastic regulation, in both domestic and international affairs. No one in Canada wants a mad race in connection with air transportation; that will only lead to the kind of waste we saw for thirty years in connection with rail transportation. If we follow that policy we will be back where we were in 1920 and 1922, when the two great railways in this country were so shortsighted that they did not see what highway transportation by buses and trucks would mean in the way of competition. These bus and truck lines would have been feeders for the steam lines if the problem had been faced intelligently, as the Toronto street railway solved it in 1921. So in the future world these small air lines and both our large ones will be feeders in connection with the air routes of the world.

Mr. HOWE: My attention has been drawn to a statement made by Premier Drew, in the legislature of the province of Ontario, on Tuesday last. I have not read the complete text of the statement, but I have before me certain excerpts as contained in a press report of the *Globe and Mail*. Premier Drew stated that it was the intention of the Department of Munitions and Supply to place the contract for the manufacture of the DC-4 aircraft in the government-owned aircraft plant at Malton, Ontario, which is operated by the crown company, Victory Aircraft Limited. He charged, on what authority I have no way of knowing, that the contract was switched from the Malton plant to the plant operated by Canadian Vickers Limited in Montreal, because Mr. H. J. Symington, who is president of Trans-Canada Air Lines, which will be the chief user of the DC-4, is also an officer of the Royal Securities Corporation, a Montreal investment firm, which—and I quote Premier Drew's words—was heavily interested in the financing of Canadian Vickers Limited. Premier Drew stated further that, and I quote his words again:

> Canadian Vickers Limited, by a recent deal, had passed out of the control of those who organized it and is not now controlled by Canadians, Britishers, or United States citizens.

I shall deal first with the charge that there was a change in plans on the part of the Department of Munitions and Supply with regard to the placing of the contract for the manufacture of DC-4 aircraft. A few months ago it was decided that we must undertake the manufacture of a transport aircraft for use by Trans-Canada Air Lines in services operated on this continent. It was decided, after very thorough investigation, that the type of aircraft most suitable for such service was the DC-4. Manufacturing rights

were obtained from the Douglas Aircraft Company Inc., of the United States, and immediate plans were made for production. In selecting the plant in which the DC-4 would be manufactured, we had to be very certain that the production did not interfere with urgent war programmes. We selected the government-owned plant in Montreal, which is operated by Canadian Vickers Limited, because the programme on which that plant is now engaged will terminate late this year. The government-owned plant at Malton is just coming into volume production on a very large order for Lancaster bombers. The Lancaster bomber is, as I have already told the house, the airplane that now has the highest priority in Canadian production. We could not possibly have given consideration to the placing of the DC-4 contract in the Malton plant under these circumstances, and I may say that at no time was there any intention of doing so. The only interpretation I am able to place on Premier Drew's remarks is that we should have permitted the production of an aircraft for civilian use to take precedence over the production of a bomber aircraft which at this very moment is the most urgent of all aircraft requirements overseas, and this as a concession to sectional interests. Since Premier Drew has made reference to the question of employment I may say that the Lancaster programme in terms of dollar value is the largest aircraft programme we have undertaken. So far as we can now estimate, the dollar value of production at the Malton plant of the complete programme will be in the neighbourhood of 200 million dollars. The contract for the production of the DC-4 is a small contract as aircraft contracts go, having a dollar value in the order of fifteen million dollars. The employees of the Malton plant, to whom Premier Drew obviously has directed certain of his remarks, will appreciate the significance of these figures in terms of continuous employment. So much for the placing of the contract.

I come now to the second of Mr. Drew's charges, that concerning Mr. H. J. Symington. Mr. Symington is president of Trans-Canada Air Lines, a director of Canadian National Railways, and also power controller. In all these positions he has rendered distinguished service to Canada. I have no hesitation in saying that he has been one of my most valued advisers, both during my term of office as Minister of Transport and during the years I have been Minister of Munitions and Supply. He has never hesitated to undertake any public responsibility I have entrusted to him, even when this involved great personal sacrifice. I would remind the house that this is the second occasion on which Premier Drew has made a personal attack on Mr. Symington. The specific charge is that Mr. Symington has used his office as president of Trans-Canada Air Lines to further the interests of a private corporation with which he is associated. What are the facts? The Royal Securities Corporation, of which Mr. Symington is an officer, has no financial interest in Canadian Vickers Limited. When the bonds of Canadian Vickers were first offered to the public, in 1927, the Royal Securities Corporation was one of a number of financial houses which distributed these bonds. Otherwise the company has not had any connection with either the financing or the management of Canadian Vickers. Further, I may state categorically that Mr. Symington was not consulted about the placing of the DC-4 contract, nor had he any knowledge of the intention of this department with regard to the placing of the contract until the contract had actually been placed.

The third charge of Premier Drew was that the control of Canadian Vickers Limited had passed into the hands of persons who are not British or United States citizens. The committee will recall that this question was raised a few days ago by the hon. member for Rosetown-Biggar. I stated at the time that it was not the practice of the Department of Munitions and Supply to inquire into the stock control of its contractors, since companies incorporated in Canada were subject always to the provisions of the Companies Act. However, in view of Premier Drew's charge, I have investigated the stock control of Canadian Vickers Limited. Of a total issue of 19,000 preferred shares, residents of Canada hold 13,614; residents of the United States hold 413; of Newfoundland 167; of England 83; and of Bermuda 35. The remaining 4,688 shares, or 24·67 per cent, are held by a Canadian investment corporation known as Losanac Limited. Of a total issue of 52,000 shares of common stock, Canadian residents own 36,680; residents of the United States 3,302; of Bermuda 325; of England 253; and of Newfoundland 20. The remaining 11,420 shares, or 21·96 per cent of the total issue of common stock, are also held by Losanac Limited. It will be seen from this analysis of stock control that 75·33 per cent of the preferred stock and 78·04 per cent of the common stock is held by British and United States citizens. Colonel Drew's statement that the stock control is now in the hands of persons who are not British or United States citizens is, to say the least, something of an exaggeration. Since the hon. member for Rosetown-Biggar inquired into the ownership of Losanac Limited, I have also investigated the control of this company. It is owned by Solvay et Cie., a Belgian banking

firm, whose affairs are now administered by Baron Rene Boel. Baron Boel is a resident of London, England, and is adviser to the Belgian government (appointed by order in council to that official position), which is now located in that city. Losanac Limited has not now and never has had any connection with any holding company in Basle, Switzerland. There is not now and never has been any German interest of any kind in the company. The Belgian banking firm, Solvay et Cie., decided to invest Belgian funds in Canada. For this purpose a Canadian company, Losanac Limited was incorporated. The president of this company and its officers are Canadians. Since reference was also made to the holdings of Losanac Limited in the International Nickel Company, Hollinger Consolidated Gold Mines, Dominion Steel and Coal Company, and the Asbestos Corporation, I have also ascertained that the company is not a large holder of the preferred or common stock of the International Nickel Company or Hollinger Consolidated Gold Mines Limited. The company has substantial holdings in the Dominion Steel and Coal Company and the Asbestos Corporation, but these do not approach control of the stock of these corporations.

The Belgian ambassador has drawn my attention to the statement made in the House of Commons on March 28 with reference to Losanac Limited. He was much concerned with the implications attached thereto, as they were likely to cast aspersions on the Belgain interests concerned. He expressed the hope that they might be corrected and assured me that Baron Boel has rendered and is rendering distinguished services to his government.

The facts which I have submitted to the committee will indicate how much truth there is in the charges made by Premier Drew. These facts were available to Premier Drew, but with his customary omniscience in all matters affecting the conduct of the war he has thought it desirable to make his charges without ascertaining the facts. I suggest, Mr. Speaker, that irresponsible statements of this kind are most damaging to Canada's war effort, particularly when they come from one who occupies a high position in Canadian public life.

Mr. GRAYDON: I had not intended taking any part in this debate until the minister made his almost unprovoked attack upon the premier of Ontario.

Mr. HOWE: What about his attack?

Mr. GRAYDON: I did not interrupt the minister when he was making his speech, and I want to make mine with as few interruptions as the minister can possibly arrange. May I say—

Mr. HANSELL: I rise to a point of order. I understood that we were discussing civil aviation. I believe the Minister of Munitions and Supply interrupted the debate to make a statement. As a courtesy we give that right to the ministers. If the statement is to be debated I am afraid we shall go off on a long course and may not be able to return to civil aviation this afternoon. I do not want to prevent the leader of the opposition from speaking. I think perhaps he should answer the minister, but let us not get off on a sidetrack now. Let us return to civil aviation when the leader of the opposition gets through.

The ACTING CHAIRMAN (Mr. McCann): Does any other hon. member wish to speak to the point of order raised by the hon. member for Macleod? I think the minister was quite within his rights in speaking as he did, because in my opinion, the matter to which he refers comes within the purview of civil aviation.

Mr. GRAYDON: I shall not be very long. As I stated at the beginning, I had no desire to take part in the debate at this stage. But the points which the minister injected into this discussion require some comments, I believe, from the official opposition. Not only did the minister make certain statements that I think were unbecoming to him, but he went too far in the remarks he made. So far as the Malton situation is concerned I do not think Premier Drew of Ontario, or any other premier of that province, needs to have anyone offer any apologies for him when he attempts to be the spokesman for what he considers to be in the best interests of the province of which he is head at this time.

I have not, nor apparently has the minister, seen any exact record of what Premier Drew said, except what appeared in the press. But on that statement we must rely, so far as this discussion goes. It seems to me that the premier of Ontario was definitely drawing to the attention of the minister and the government the fact that the Victory Aircraft plant at Malton is a plant which perhaps has no peer or parallel in the whole of Canada, in the production of aeroplanes. I think the minister himself will admit that.

Not only is the Malton plant in an excellent position for future production, but it has turned out in production a kind of plane which we, in the Malton area, have felt would be utilized in connection with what the minister said last spring—for civil aviation in the future, and for the great development of air transports in the peace-time period that, let us hope, will follow. I think the minister, in

making the charge he did against the premier of Ontario to-day does a disservice not only to Ontario, but also to the Dominion of Canada, so far as his allegations went.

We have at Malton some 9,000 employees who are working on Lancaster planes. It is a production which is gradually being stepped up, and that production was brought about under circumstances which in years prior to this presented certain difficulties. The Malton plant is situated contiguous to perhaps one of the greatest airports on the continent. There is no other plant in the whole of Canada in a better position geographically, and from the production point of view, to turn out that type of plane, to serve the post-war trade in the manufacture of planes, than is the Victory Aircraft plant. And upon that basis—well, I do not wish to be uncharitable to the hon. member for Fort William, but he will do the minister a favour if he does not interrupt me at this time.

I wish to say this to the minister, that with regard to the position of that plant, there was every reason for the premier of Ontario to take the position he did with respect to the post-war period as it will affect Malton. There has been a tremendous development there. Many people have been brought in. The whole district is developing, and is looking forward with eager expectancy to the post-war manufacturing of planes. That has been the whole —shall I say—Malton idea, from beginning to end, so that it may not be a mushroom settlement, and so that it will be more than a temporary move.

When the minister announced, quite out of the blue, to the house that the DC-4 was being made at Vickers in Montreal, I fancy—and I think most hon. members will agree—that that was greeted with dismay by those in the Malton area, and others in that particular part of Canada, where they are looking forward with keen anticipation to what will happen in the post-war period. They have the right to hope that the wheels will be turning to the manufacture of peace-time planes in that area, as they are turning at this time of war to the manufacture of Lancasters.

In addition to that there was the feeling, and I think perhaps with justification, that the Lancaster has no peer in the way of performance in that type of aviation, or in the same type of aviation as will be required for civil aviation when the war is over. When Premier Drew undertook to champion—and that is the word, "champion"—the plant at Malton, and the Victory Aircraft company, he was trying to make sure that those 9,000 men and women would be kept working when this war is over, in a civil aviation plant, as they are now working in the war-time period.

[Mr. Graydon.]

That is why I do not think anyone need apologize for the stand Premier Drew took in the Ontario legislature, and I am not going to do so. I am going to commend him for having done it.

Mr. HOWE: Go to it.

Mr. GRAYDON: May I say this, that when the Minister of Munitions and Supply in his reply to Premier Drew which appeared in the press—as I read it—in connection with the Lancaster matter, talked about transferring and changing the orders—well, I do not know whether he was serious. I certainly hope he was not serious when he made the suggestion with respect to changing and transferring orders at this time from Lancasters at Malton to DC-4's at Malton.

I think the minister must have been pretty hard up for an argument, when he used that, after all the tooling up that has been done at Malton during all these years. I say that because the minister must have known, as every member who read the statement by Premier Drew knew, that the premier had no intention, nor have I the intention this afternoon, of suggesting that we should at this moment change the manufacture of Lancasters in Malton during a war-time year into peace-time production, nor would any responsible citizen suggest that.

But the Minister of Munitions and Supply, apparently for his own purposes, and to bolster up and support his argument, attempted to place another interpretation upon the words of the premier. That is not the way to meet Premier Drew's arguments. The way to attempt to meet his arguments is to try to bring the true facts to bear with respect to the whole problem under discussion.

Mr. HOWE: Premier Drew made no argument.

Mr. GRAYDON: Well, let me tell the minister that the premier is able to look after himself very well, so that we will all go on our way together.

When the minister speaks of the premier of Ontario as being irresponsible, then I say the minister knows full well that that is not right. Premier Drew of Ontario is as responsible a public man as there is in the whole Dominion of Canada. More than that, the premier of Ontario has, I think, the confidence of his province in a way that the minister and his followers would like very much to have in that province to-day.

Mr. HOWE: We will look after ourselves.

Mr. GRAYDON: Perhaps the reason why the minister, who comes from Ontario, may

feel keenly about this matter, is that he is afraid of losing his seat, and the same would apply to the hon. member who was going to rise—

An hon. MEMBER: Haldimand-Norfolk.

Mr. GRAYDON: —and to the hon. member from the Cooperative Commonwealth Federation who has just spoken, that the Haldimand-Norfolk seat was just taken from his party, too. May I say to the government whip, over there, that he is representing Norfolk, and must know what his situation is in relation to that seat.

Mr. HOWE: This whole thing is political, is it not?

Mr. GRAYDON: Let me say this, that when the minister talks about irresponsibility, that is a reflection not only upon the premier, but also upon his legislature and upon his government. More than that, it is a reflection upon the people of Ontario who sent the Minister of Munitions and Supply to this house.

I want to say this, that when we talk about a contribution, and the position taken by the premier of Ontario, and when the minister says he has been damaging Canada, then I say that the record of the premier of Ontario is of such a character both in war and in peace that no one can stand up honestly and draw the interpretation, as the minister has done to-day that George Drew is not a patriotic, honest and well-meaning citizen, one who is trying to do his best, and has tried his best through all these years to prod a very dull, stolid and slow government into war-time action.

Mr. SHAW: Mr. Chairman, now that there is a lull in the Ottawa-Ontario battle, I hope to be able to direct attention back to civil aviation. On March 17 the Minister of Munitions and Supply gave to the House of Commons the government's views regarding civil aviation, both domestic and international. At the conclusion of his presentation he placed upon the record a draft of an international air transport convention, which I judge was the government's contribution to future international discussion. As I approach the question of civil aviation I consider it imperative that I bear in mind that the minister indicated that the views which he expressed and the convention which he tabled must be regarded as tentative or preliminary, and may be rejected at a future date—this is my view and perhaps not the minister's—by the partners in the commonwealth or by any of the allies with whom we are now associated. During the short time at my disposal I shall try to place some of my views before the committee.

Upon more than one occasion I have stated in this chamber that I condemn centralized monopoly control, whether by a private corporation or by a government, whether on land or in the air. I consider it to be totalitarian in nature and anti-democratic in operation. Of the two I fear government monopoly more than I fear private monopoly. So far as private monopoly is concerned, there is always the hope that the government, which should be the supreme authority in the state since it is the people, may legislate or act under existing legislation to break a private monopoly. As I say, there is always that hope. On the other hand, so far as government monopoly is concerned, there is no force within the country, unless the people reach the stage where they rise in revolution, to break the monopoly. I repeat that I fear government monopoly more than I fear private monopoly, but I have absolutely no use for either.

I do not think I am going too far when I assert that anyone who subscribes to a form of state monopoly is extolling the virtues of countries such as those against whom we are warring to-day. The Minister of Munitions and Supply, I judge—I have the right to my own opinion—was making a complete denunciation of the principle of competition. I would assert that as a result of the minister's declaration the government has gone on record as favouring at least a degree of state monopoly. It is strange for one sitting over here to understand how a minister of the crown or a private member of the government party can stand up and criticize, let us say the Cooperative Commonwealth Federation party, for advocating state control and then, by approving the action of the government with which he is associated, take rapid strides in that direction.

I do not know by what reasoning or calculation it can be argued that a government which, either through lack of vision or through lack of energy of management, cannot manage an enterprise in competition with another enterprise yet hope, after the elimination of the competitive enterprise, to render to the people of the country a superior type of service at prices which would be established by competition or which would satisfy the public interest to a greater extent. I am not sure that I have made my point clear. Let me repeat. If we have a government owned enterprise and a privately operated enterprise, and the government, because of the nature of its operations, cannot compete with the private enterprise and render the necessary

service, then I cannot see how they can eliminate the other and hope to render a higher type of service.

The Minister of Munitions and Supply referred to our airmen and many hon. members have referred to our airmen on previous occasions. We have a great deal of admiration for their magnificent accomplishments and we look forward to the day when they will return. We realize that they have had considerable training and naturally when they return will be intensely interested in civil aviation. Their exploits demonstrate that they have been properly trained. There is also the fact that the commonwealth air training scheme has been in operation in this country. This has instilled in the minds of the Canadian people a great enthusiasm with respect to post-war aviation possibilities. Added to this we know the Canadian people are fully aware of the extent and development of transport services during the war. We know they recognize that all services have been speeded up as a consequence of the utilization of air transport.

When these lads return after the war they are going to look for opportunities to engage in aviation. After the last war this was true. Many of our pilots, mechanics and others returning at that time undertook the carrying on of their interests in the northland, but so far as I have been able to ascertain these boys in almost every instance were financed or at least employed by mining companies, petroleum companies and other companies interested in the development of the northland, and these enterprises themselves were also assisted by the government by the granting of mail contracts. I am not aware that many of these young men returning from the last war were able to finance the establishment of any air routes in any part of Canada.

After this war we look, according to the minister's statement, to a rich new opportunity for our airmen so far as branch air routes are concerned. I am sure that these boys when they come back will not have very much money, and I am sure they will look for assistance if they engage in aviation. I wonder if it is the government's intention to finance the establishment of companies in which these boys might be interested, operating over unprofitable routes. I wonder if we may have in civil aviation after the war something comparable with what happened in land settlement after the last war, when many men were put on unproductive land, placed upon farms on which no one should have been placed. I wonder if we shall have a repetition of that so far as civil aviation is concerned after this war. In other words, is the government going to purchase unprofitable feeder lines or establish new lines of an unprofitable nature? If it purchases unprofitable feeder lines or establishes new lines that are unprofitable, I fear, too, that we shall have a situation where ultimately privately owned lines will be taken over by the government at an over-capitalized valuation. We have had that experience in connection with the railroads. The government undertook to engage in that enterprise and purchased over-capitalized railways which plunged the country into debt, where incidentally it remains. Surely if we are not careful in regard to civil aviation, the Canadian people are in for a most disillusioning experience.

As I said a few moments ago, Canadians are intensely interested in post-war aviation possibilities. The present working range of transport aircraft fascinates the Canadian people. I recall reading only a few days ago about the transport aircraft recently manufactured by the Glenn L. Martin Aircraft Company of Baltimore. Many have no doubt read about this machine, known as the Mars, with a wing spread of two hundred feet and a capacity equal to almost fifteen rooms of a dwelling, a craft which is able to lift a load of seventy-four tons, including the weight of the ship, the crew, the gas and the cargo. Only recently this aircraft flew non-stop to Brazil and returned non-stop, a total distance of 8,972 miles. That and other experiences and other knowledge in connection with air transport developments have interested our people greatly.

The Canadian people also know that the most economic air routes to Europe and Asia will traverse Canadian territory and/or the British possessions, namely, Labrador and Newfoundland. We know that the much discussed great circle route over the north polar regions to Europe and Asia also crosses Canada. It has been suggested by some that from a geographical point of view the city of Winnipeg will become the aviation centre of North America. But I prefer to look upon Edmonton as the logical jumping-off point, so that naturally I see a greater future for that city so far as civil aviation is concerned.

Our Canadian people know that after this war we shall have in this country those vast installations, many of them in the northwest, which have been established by the United States government but become the property of Canada after the war. This ground apparatus throughout the northwest is on a direct route to Europe and Asia.

As I have already said, the British commonwealth air training plan will turn out for us approximately one-quarter of a million young

men who will have developed aviation skills. That number is exclusive of aircraft construction employees.

There are a number of difficulties in the way of developing our civil aviation, and these are matters to which we should give consideration and about which the minister should make an explanation. My observations lead me to believe that Canada has not, I think it is fair to say, what might be called an integrated aircraft industry. I am not familiar with the fact, if it is a fact, that we are manufacturing anywhere in Canada aircraft engines which by the wildest stretch of imagination could be used in commercial aircraft. Moreover, I think it is quite true that we have had no experience in the commercial construction of such aircraft, or in connection with their designing. We shall have to look to other countries in order to secure at least parts of the aircraft which we shall find it necessary to use if we are to play any part at all in commercial aviation immediately after the war.

That brings me to this question. I have heard some people say: We will go to Britain and get our aircraft engines and our aircraft there. Others say: We will go to the United States and get our aircraft engines and our aircraft there. But what is the situation in Britain? Let me quote a short item which I read not long ago in connection with Britain:

> The British realize that unless they secure a position in the air commensurate with the position which they have held on the seas, the systems of communication binding them to their colonies and dominions must rapidly deteriorate.

In Britain they have developed a tremendous aircraft industry, but their manufacture of aircraft has been confined largely to the bomber and fighter types, types which will not be of value in commercial aviation after the war. Moreover, the need for bombers and fighters, as we all realize, will continue until the last day of the war. Therefore, when we pass into the day following the cessation of hostilities Britain is not going to be able to step out and undertake extensive commercial aviation projects without help herself. I think it is only reasonable to suppose that Canada will not be able to look to Britain for the aircraft which she will of necessity need in order to engage in commercial aviation on an international scale, yes, even on a domestic scale, at least for some years. Some say: We will get the aircraft in the United States. Anyone who has read at all will realize that in vast urban sections of the United States the people have seen their lives violently changed during this war by the growth of the aircraft industry. It is said that over two and one-quarter millions of young people in that country have been trained as pilots, navigators and maintenance crews.

Here is the important feature: the United States has specialized in the construction of modified commercial aircraft during this war. In other words, the United States has already a five year lead in the manufacture of commercial aircraft. I do not believe it is large enough to absorb the entire production of the aircraft industry which has been developed there during this war. There is going to be economic pressure applied because of wartime investments in this industry in the United States, and a concerted effort made to force it beyond the bounds of the country. In making this statement I do not want to be misunderstood. If they utilize the facilities which they possess there will not be business enough in the country to occupy more than a part of those facilities. Therefore they will look elsewhere with a view to broadening out and utilizing the commercial aircraft which they will have the day the war ends. In passing, may I point out that under the united nations relief and rehabilitation administration the United States is granting $1·35 billions worth of food stuffs and other materials to nations that will require her help, every dollar of which, do not forget, will be a calling card in connection with the development of United States commercial aviation outside its own country. Is it or can it be considered fantastic for me to assume that the United States will hasten to establish a type of air supremacy after the war which it did not hold on the sea before the war? Would it, on the other hand, be fantastic for me to assume that Great Britain, in an endeavour to break what I may call a monopoly which it is quite conceivable the United States will undertake to establish, will abandon any connection or association with a policy such as that to which Canada is at present committed?

The hon. member for Lake Centre, during the course of his remarks the other day, referred to Russia. I also am intensely interested in the attitude of mind which Russia may have towards Canada's proposal. It is certain that the government has in mind some indication of the feelings which may be expected in that quarter, because it can hardly be possible that Canada would advance a proposal for international aviation unless she was reasonably assured as to the reception it would have in other important countries.

The whole matter of civil aviation, domestic and international, should be most carefully scrutinized. We must have a complete picture. From time to time, I am sure, representatives of the government will meet with

others in regard to the matter, not only those representing the nations of the commonwealth and the allies, but the neutrals.

Moreover, it is difficult to anticipate the possibilities either under this proposal or any other, because any policy we lay down will develop only as world circumstances permit. If there is to be war after war, or threat of war after threat of war, it is futile for us to deceive ourselves into believing that any country which feels itself threatened will permit foreign aircraft to fly over its land at will or pick up passengers or any private cargo.

One wonders, too, what consideration has been given to this question in its relation to those countries which now are our enemies. I know it is stated in the convention that it is assumed that an overriding treaty of peace will determine the obligations and rights of the defeated powers under this convention. Well, the thought which comes to my mind, as we try to build a picture of this whole thing is, what is the attitude toward Germany and Italy likely to be after the war? There are some, of course, who foolishly believe that it is possible completely to exterminate a nation. No matter how bitterly one may feel toward a nation, it is utterly inconceivable that anyone who has given it a thought would believe extermination possible or desirable. I do not want to have that statement misunderstood. But if these countries are to continue to exist after the war, as they will, most careful consideration must be given to the parts they may play in such a scheme. If you are not going to let them take part they will force their way in, and as soon as they undertake to do that we shall have a repetition of the conditions which we have already experienced.

We believe firmly in cooperation among the nations. We believe firmly that without cooperation we cannot succeed in any international aviation policy. We are opposed to coercion and to the imposition by any power bloc of its will upon other countries, because there will be no cooperation as far as some nations are concerned once they realize that such a power bloc is endeavouring to impose its will upon them. Every possible avenue should be explored to encourage cooperation. I think that as the days and months go by we shall be able to form a better picture of the degree of cooperation which may be expected. But what we are intensely interested in is the possible reaction of the United States and Great Britain to this Canadian proposal. We read a good deal, but we do not always believe what we read. Men make observations, but of course we do not always know who these men are or whether they speak with authority.

[Mr. Shaw.]

Let me repeat, Mr. Chairman, we are intensely interested in the development of domestic civil aviation after this war. We are very much opposed to the government endeavouring to establish any monopoly. We are very much opposed to any private enterprise establishing a monopoly in this or any other field. In the international field we believe there should be the utmost cooperation. We realize that it is imperative for the countries to get together in connection with this matter; but at the same time we are opposed to power tactics in an effort to impose upon certain weaker countries conditions which ultimately will lead to world conflict.

Mr. GREEN: Mr. Chairman, in rising to take part in this discussion on Canada's air policy I must say that I feel this to be one of the most important subjects that could be considered by the Canadian House of Commons, and I have no doubt that thought is in the minds of all other hon. members here to-day. We on the Pacific coast are particularly concerned about air policy. Out there Trans-Canada Air Lines has meant a great deal, because it has drawn us so much nearer to the centre of Canada. The air line from the coast into the Yukon, now operated by Canadian Pacific Air Lines, also has meant a great deal to us; and the different routes that have been flown along our coast and into our hinterland have aided a great deal in developing our province.

For many years we have been particularly concerned about the establishment of an air route that would run from British Columbia to our sister dominions of Australia and New Zealand, so that to-day I was pleased to see a press report to the effect that the Prime Minister of New Zealand was ready and willing to negotiate an agreement with Canada, Great Britain and Australia, under which an air route would be established across the Pacific ocean to those dominions. He even went farther and stated that his dominion would be willing to have the United States a party to any such agreement. That is a significant development and means a great deal to Canadians not only on the Pacific coast but also in other parts of our country.

This whole question of our air policy lies very near to our hearts, as the hon. member for Red Deer has so aptly said, because young Canadians have taken so well to flying. We all know the record they made in the last war; we know the large number of Canadians who belonged to the Royal Flying Corps and the wonderful deeds they performed. Then, when they came back they opened up our north country by their bush flying. In fact, at the time Trans-Canada Air Lines was established Can-

ada flew more freight and express, and I think more mail, than any other nation. Practically all that flying was into our northern country, and it was all carried on by these bush pilots. In the present war the young men of this generation have carried on the traditions of the young men of the last war, and perhaps have even exceeded the wonderful deeds of those who took part in that war. Flying seems to be in line with the courage and initiative of the Canadian people. Therefore I suggest that any air policy to be adopted by this nation must be a bold policy first and last, whether it be in the domestic or in the international field.

With that thought in mind, that a Canadian air policy must be first of all a bold policy, I should like to turn to the policies that have been announced by the government, dealing first with the domestic air policy. I have been surprised and disappointed to find in this domestic air policy signs that the government is becoming hesitant about flying, that the policy is becoming ingrown and petty. I say that for these reasons. In the first place, throughout his statement the minister stressed competition. He seemed to be very much afraid of competition in Canada, afraid that Trans-Canada Air Lines could not compete with Canadian Pacific Air Lines. Right through the picture there seemed to be the fear that there would be too much flying in Canada, more than we could stand; and really I thought he displayed an inferiority complex in discussing flying within our own country. Then he emphasized the danger of letting our railways have anything to do with air travel. That was really amazing, for it was a direct reversal of his statement at the time Trans-Canada Air Lines was set up. I have in my hand *Hansard* for March 25, 1937, where the minister dealt with this very point. At page 2216 he said:

> In my view it is only reasonable that the railways should have a part in the development of air transportation. In the first place they are in the transportation business; and in the operation of air lines there are problems in common with the operation of railways. For instance, both must have ticket offices; both must have facilities for soliciting express and passenger business. The legal problems of both are more or less on a par, and a legal staff trained to railway transportation matters would be valuable in air matters. I could set out many other points where the services are more or less parallel.

The next year he shepherded through the house what was known as the Transport Act, which set up a board of transport commissioners for Canada. One of the main features of that act was that it gave what had formerly been known as the railway commission jurisdiction over the air lines. In section 3, subsection 2 of that act we find these words:

> It shall be the duty of the board to perform the functions vested in the board by this act and by the Railway Act with the object of coordinating and harmonizing the operations of all carriers engaged in transport by railways, ships and aircraft and the board shall give to this act and to the Railway Act such fair interpretation as will best attain the object aforesaid.

In other words, the position then was that it was wise to have a transportation company handle air transport, and I suggest for the consideration of the committee that nothing has happened in the interim to change that position. Another sign of hesitancy was that the minister stressed the danger of letting feeder or pioneer lines become strong. As reported at page 1573 of *Hansard* for this year he said:

> The government believes that feeder line operations, and pioneer lines into our northland, can best be developed as small operations.

Apparently the minister is no longer satisfied that the board of transport commissioners should be in charge of the airways, for he wants to have what is to be known as an air transport board. It all looks as though the minister were afraid of his own transport board. Then he proposes to push the Canadian National Railways out of the air picture. So far as I know they have done a grand job in operating Trans-Canada Air Lines, but now they are to go out of the picture. He proposes also to smash Canadian Pacific Air Lines. Again at page 1573 of *Hansard* he said:

> Steps will be taken to require our railways to divest themselves of ownership of air lines, to the end that, within a period of one year from the ending of the European war, transport by air will be entirely separate from surface transportation.

I thought the minister showed a vindictive spirit towards the Canadian Pacific Air Lines in several parts of his speech. Frankly I do not believe that a sound, stable policy of government can be based on spite or vindictiveness. Yet altogether too much of that appeared throughout the minister's statement. For example, he said that the Canadian Pacific Railways had not been willing to come in when Trans-Canada Air Lines was formed. He said that they had been getting more equipment than Trans-Canada Air Lines, although he did go on to explain that probably the reason they were able to do so was that they had been doing so much flying into the Yukon and the Mackenzie river basin, helping the Americans in the development of the Alaska highway and the Canol project and got planes through the United States Army to do that work. However, he seemed to be very much hurt and very vindictive because they had been able to get planes. He then said

they were competing too much and challenging Trans-Canada Air Lines. Well, we have the Transport Act and the board of transport commissioners whose duty it is to prevent things like that. Surely all the minister had to do was to see that the board carried out its duties. There is an atmosphere of spite throughout the whole thing which I greatly deprecate.

In fact the domestic air policy of Canada as announced by the minister the other day is a government monopoly of all routes in Canada except the small operations. Anything that looks like a real airline or an efficient company is not to be allowed to exist under this policy. Therefore I repeat that the domestic air policy is becoming ingrown and petty and, I think, also dictatorial. I do not believe the Canadian people will approve it when they understand what the policy means.

What is the picture of flying in Canada at the moment? Trans-Canada airways, as the name implies, was founded to fly the Trans-Canada route. That was made very clear at the time the line was set up. The Trans-Canada Air Lines Act was passed in 1937 and is chapter 43 of the statutes of that year. It sets out in several places that the line is to extend across Canada; that it is to be a coast to coast line. The minister also made it clear during the course of the debate in that session. I refer to page 2042 of *Hansard* for 1937, where the minister used the following language:

> This company will fly only the main artery of traffic across the country, and such other arteries of traffic as are designated by the government as being of national importance. It is not the intention to interfere with any existing operations. The company will not undertake other than interurban services.

The Prime Minister in announcing Canada's air policy a year ago repeated in effect the statement made by the minister in 1937. At page 1777 of *Hansard* of 1943, the Prime Minister said:

> The development of supplementary routes will continue to be left to private enterprise, unless considerations of public interest indicate that certain of these routes should be designated by the government as routes to be operated by T.C.A.

And again at page 1778 he said:

> There will remain a large field for the development of air transport in which private Canadian companies may participate, and, while preventing duplication of services, the government will continue to encourage private companies to develop services as traffic possibilities may indicate.

Apparently that policy has been changed within the last year. Trans-Canada has gone on as was intended, and has made great progress. It has extended its lines by flying to the United Kingdom and one line to the United States. It is doing a grand job under the supervision of the Canadian National Railways. There seems to be no reason why it cannot continue to progress as it has done in the past. In the meantime the Canadian Pacific Air Lines are operating strong feeder lines. I hold in my hand the annual report of the Canadian Pacific Railway Company. A map appears in this report showing the air lines, and shows practically all of them are north and south lines. They are operated by some of the leading bush pilots of earlier days; some of these young men who showed the courage and the initiative to go out and fly these bush routes are now air executives of the Canadian Pacific Air Lines. It may be that the directors of Trans-Canada Air Lines have not given a similar chance to their bright young flyers. It might be a good idea for the minister to check that to see whether old age is not holding back the energy of the boys who fly in his own Trans-Canada Air Lines. In any event the Canadian Pacific Air Lines are providing an efficient service. These lines have meant a great deal in the development of northern Canada and in the war years to the construction of the Alaska highway and the Canol project. Most of the lines were formerly flown by Canadian Airways Limited, which was the great pioneer in the air routes of the north. Incidentally that line was developed by the late James Richardson of Winnipeg who perhaps deserves as much credit as any other business man of Canada for the development of flying in this nation. So much for the Canadian Pacific Air Lines.

As far as the pioneer lines are concerned I realize that there are very few small bush lines in operation at the present time. The reason for that is that gold mining is down. Very little gold mining is being done and therefore there is very little work for these bush pilots to do. But as soon as gold mining revives there will be more scope for operations of that type.

In the air picture as it exists at present we also have the board of transport commissioners, an independent board set up as a judicial body. They are not supposed to be influenced by the government and I do not think they are. I sometimes suspect the fact that they are not sufficiently under the government's wing is one of the reasons why the minister wants to get a new board. Section 5 of the Transport Act sets out how this board of transport commissioners must treat an application. It reads as follows:

Before any application for a licence is granted for the transport of goods and/or passengers under the provisions of this act, the board shall determine whether public convenience and necessity require such transport, and in so determining the board may take into consideration, inter alia,—

(a) any objection to the application which may be made by any person or persons who are already providing transport facilities, whether by rail, water or air, on the routes or between the places which the applicant intends to serve on the ground that suitable facilities are or, if the licence were issued, would be in excess of requirements, or on the ground that any of the conditions of any other transport licence held by the applicant have not been complied with;

(b) whether or not the issue of such licence would tend to develop the complementary rather than the competitive functions of the different forms of transport, if any, involved in such objections;

(c) the general effect on other transport services and any public interest which may be affected by the issue of such licence;

(d) the quality and permanence of the service to be offered by the applicant and his financial responsibility, including adequate provision for the protection of passengers, shippers and the general public by means of insurance.

In other words, the board of transport commissioners have power to see that all these companies are fair in their operations. Even Trans-Canada Air Lines has on occasion run foul of the board of transport commissioners. About a year ago they applied for a licence to fly passengers from Vancouver to Victoria, and the board held at that time that public convenience and necessity did not require further air transportation facilities for carrying passengers or goods between those two points, there having been for some years a line operated, first of all by Canadian Airways, and then by Canadian Pacific Air Lines. It may be that the board of transport commissioners require more power to meet present-day conditions. If so, let us give it to them.

But I do suggest that in the domestic field there is plenty of room for all three. If we have any kind of bold air policy for Canada, then I say there is plenty of room for all three—for Trans-Canada Air Lines, for strong, well-run feeder lines and for pioneer lines. And by the way, the pioneer lines might very well be helped by the industrial development bank being set up at this session. The policy should be that of helping each of those to expand, the board of transport commissioners keeping each in its proper sphere. If that is done, if a policy of that kind is attempted, I am sure Canada will be far better served than she would be under the domestic air policy which the minister has offered the nation in the last few days.

Then, to come to the government's announced international air policy, we note that that policy paints a very rosy picture. In that regard it is just like my good friends in the C.C.F. They are always experts at painting rosy pictures over the river, but they never say how we are to get across.

Mr. GRAYDON: You might get drowned.

Mr. GREEN: The international air policy is much like that. Unfortunately the rosy picture it paints is a long way off. Not only is it after the war, but also it is after an international air transport authority has been set up. Perhaps it may not be in effect until after an international security organization has been established—in other words, some sort of league of nations. That is probably decades away from the present time. There will be a period of years in which all that will be done will be the building up of a protecting wall behind which some world peace organization can be established; but the government's policy is good only for a time after a world-wide organization has been established.

I do not suppose there is a member in the chamber who does not favour this rosy picture, or who is not in favour of some such sort of plan. But in the meantime I suggest the government should come down to earth, and give Canadians a little guidance, give us some policy for the present so far as international airways are concerned, and for the period from the cease-fire until the setting up of this international air transport authority.

We have got down to earth only in our dealings with the United States. No doubt it was the Americans who forced the government to get down to earth—and quickly—on that subject. With the United States we have bilateral agreements covering routes between the two nations. As the minister said the other night, under these agreements Canada has one route, and the Americans have eight. Up to the present they are not doing badly. Canada has a route from Toronto to New York, and the Americans have routes from Moncton to Bangor, New York to Montreal, Buffalo to Toronto, Buffalo to Windsor, Fargo to Winnipeg, Great Falls to Lethbridge, Seattle to Vancouver, and Fairbanks and Juneau, Alaska, to Whitehorse. In addition the minister said there was a war-time agreement with the Americans by which they got permission to fly an air route from Seattle to Juneau. Canada, on the other hand, is proposing to ask some day—apparently she has not yet done so—for a route from Whitehorse to Fairbanks.

That is the position between Canada and the United States, brought about by these bilateral agreements. Under the international air policy now advocated by the government, air traffic between Canada and the United States has been carefully excluded from the proposed convention. It will still be arranged by bilateral agreement. There is in the convention a provision for what are known as contiguous states, and the minister mentioned the example of Canada and the United States as contiguous states, under the convention.

There is no provision in the convention for dealing with the empire. At page 1576 of *Hansard* the minister said that Canada was scrapping the north Atlantic agreement, which was negotiated between the United Kingdom, Canada, Ireland and Newfoundland in 1935 and 1936, and provided for the flying of that route. That agreement is to be scrapped. This is what the minister had to say on the point:

> In view of the fact that the joint-operating company envisaged in the 1935-36 agreement was never set up and in view of the material changes in circumstances which have already taken place since the agreement was drawn up, the Canadian government is of the opinion that the agreement can no longer be considered applicable to present conditions. The other parties to the agreement have been notified of our views.

There is no mention of any agreement being negotiated to replace it. Actually there are certain key routes in the empire which are of vital interest to Canada. For example, I have in mind this north Atlantic route between Canada and the United Kingdom. Then there is the Pacific route, about which I spoke, extending between Canada and Australia and New Zealand. In January of this year Australia and New Zealand negotiated a treaty in regard to civil aviation under which they provided that—

> In the event of failure to obtain a satisfactory international agreement to establish and govern the use of international air trunk routes the two governments will support a system of air trunk routes controlled and operated by governments of the British commonwealth of nations under government ownership.

And as I have mentioned yesterday the Prime Minister of New Zealand went farther, and said that he would be glad to have Canada join in such an arrangement.

Then there are the routes from Canada to the West Indies and from Canada to South America. With regard to these three routes, namely the Pacific route, the Canada-West Indies and the Canada-South American, it would be necessary for us to make some sort of agreement with the United States. I suggest that in return for an agreement by which they get into Alaska, Canada should be able to get across to Australia and New Zealand, and also to the British West Indies and South America. Agreements with respect to these key routes are fundamental, and we should not have to wait for the setting up of an international air transport authority, which may take decades. We should be negotiating now for these agreements.

Neither should we have to obtain the approval of an international authority before we can fly those routes. I suggest to the minister that the routes to the British countries mentioned should be treated in the same way as those between contiguous states. In other words, so far as Canada is concerned, Great Britain, Australia and New Zealand should be treated as contiguous states, and our services to those fellow British countries should be excluded from the provisions of the convention. It is most important that we get in on these key routes as quickly as possible. If we have an agreement with Great Britain we could then share in the British business. We could fly British passengers across Canada, whereas under the convention, as I read it—the minister can correct me if I am wrong—Great Britain would have the right to fly her own planes right across Canada without any Canadian planes appearing in the picture. She would have the right to drop passengers from Great Britain anywhere in Canada and to pick up Canadian passengers for Great Britain. Looking at it from the practical point of view, I think Canada would be well advised to have a bilateral agreement with Great Britain.

If, as and when the convention becomes effective there are certain features of this government international air policy of which the Canadian people should be made fully aware. Every opportunity should be given to the Canadian people to understand exactly what this plan means because it is of great importance to them. The first thing that should be explained to them is that an all red British route would be difficult to establish under this convention. It would be almost impossible because the international air transport authority would have exclusive jurisdiction over such air services.

Another point that should be explained is in connection with routes from Canada to the United Kingdom. If they are to come under this convention these routes would have to be granted by what is known as the regional council. This regional council grants licences, sets rates and conditions, determines how many times a route may be flown and how many planes shall fly from each country. Canada and the United Kingdom would be

given the same terms, would have to be on an equal basis with Sweden, the Netherlands, Spain or any other country interested in flying that route.

Under the proposed plan Canada would be in the north Atlantic region. It includes Canada, the United States, Great Britain, the northern part of Europe and the Soviet Union; in fact nearly all of the civilized population or advanced population of the world. The council of a region is to be composed of from six to nine members, one-third of whom would be appointed by the international air transport board and must not be nationals of any nation in the region; two-thirds of the members would represent nations in the region. Of course the council would be controlled by representatives who were not nationals of countries in the region and those from the United States and Russia. One-half of the membership of the council is to constitute a quorum; in other words, if there were six members, three would be a quorum; further the majority of votes are to decide, which means that two members of the council could decide what is to be done as between Great Britain and Canada. I submit that that situation should be carefully considered by the Canadian people before they agree to these terms.

The decisions of the regional council are subject to appeal to the international air transport board, but the same rules with regard to quorum and majority apply there. This board is to be composed of twelve members, six constituting a quorum, four of whom could reach a decision.

Another thing to be remembered is that any negotiations with Australia and New Zealand for air routes under this convention can be carried on only through the international air transport board. There is no regional council in this case because Australia and New Zealand are in another region. Where two regions are involved, action must be taken by the international transport board. A licence can be granted subject to all the conditions and terms just as in the case of a regional council. In effect it would be very difficult under this plan for Canada to deal directly with Great Britain or with Australia or New Zealand; those latter countries would have had great difficulty dealing with each other in January if they had been working under a convention such as is now proposed. We would have to deal either through a regional council or the international board.

Some attention should also be paid by the Canadian people to the provisions of the draft international air convention dealing with contiguous countries, such as Canada and the United States. Services between two such countries are to be dealt with by direct agreement between the nations. There is no jurisdiction in the international air transport authority. There is a clause in the convention providing for a fair distribution of routes. Article I, section 2, reads:

> The authorities shall plan and foster the organization of international air services so as (c) to ensure that, so far as possible, international air routes and services are divided fairly and equitably between the various member states.

Canada could not take advantage of that provision because she and the United States are contiguous. We would have to make the best deal we could with the United States. As I have mentioned before, the results of such deals in the past seem to have been not very good for Canada. Perhaps it would be better if dealings with the United States were brought under the international transport authority as far as Canada is concerned.

Another point to be kept in mind is that no definite provision is made for enemy countries. The only thing I can find is a note at the beginning of the convention which reads:

> It is assumed that an overriding treaty of peace will determine the obligations and rights of the defeated powers under this convention.

Before the Canadian people can decide wisely what terms they will agree to, they must have some idea just how easy it is going to be for German or Japanese planes to fly over Canada. We are entirely in the dark at the moment with regard to such provisions and yet they are among the most important.

We must realize that if we are to work under an international air transport authority we shall have to give up some of our rights. I am not saying that that is a bad thing because I think every nation that adopts this convention should be prepared to give up something. But Canadians should know just what they are giving up in going into any such arrangement. Under the proposed convention the licensing authority, whether it be the regional council or the international board, may review routes designated by a nation. For example, Canada might say that all outside planes had to fly along the present Trans-Canada route. If any nation flying that route complained to the international authority, that authority would have the right to step in and say whether those planes had to fly that particular route or had to use the airports Canada had designated. The international authority would have the power to step in and make Canada open up certain ports or routes which she might not want to open to

planes flying in from other countries. The board might go farther than that. When a complaint is made by another country whose planes are flying over Canada, the board may request Canada to expand her facilities. The board may decide that the facilities we are supplying are not adequate and may order us to extend them, under certain conditions advancing the costs. It may also require a reasonable share in supervising the construction, and not only that but actually share in control of the airports and other facilities. It may demand a share of the revenues derived from flying. In other words, this international authority can, under certain conditions, step in and assume some control of certain of Canadian airports.

Mr. HOWE: Only if they pay the cost of building them.

Mr. GREEN: I may have misinterpreted the provisions, but that is the way I read them. There is a further provision in the convention that once an international security organization is set up—it does not say a united nations organization, but an international security organization, which I presume would be some sort of league of nations—if it decides that world security is involved it may order the international air transport authority, which under the convention is made subject to the world-wide security organization to withhold licences in certain cases. That must be done immediately and without any formal hearing. It also has power to set up an operating organization which under certain conditions could, as I understand it, actually operate planes flying across Canada without Canada being able to do anything about it. The reason for that, of course, is to secure world peace, and it may very well be wise to agree to some provision of that type.

The ACTING CHAIRMAN (Mr. McCann): I must remind the hon. gentleman that he has already exhausted his time.

Mr. GREEN: I was just going to sum up, Mr. Chairman.

The ACTING CHAIRMAN: With the consent of the house.

Mr. GREEN: To sum up, firstly, in her air policy, domestic and international, Canada cannot be too bold. Secondly, at home we need strong trans-Canada lines, strong feeder lines and many pioneer lines. Let us encourage them all. Thirdly, we need an international policy for the period from the "cease fire" until the setting up of this international air transport authority, and in that connection we must be more realistic. Fourthly, certain agreements with other British nations are absolutely fundamental at this particular time. Fifthly, Canadians should study the proposed convention and be given time to decide where they stand in regard to it. The whole question of air policy is so vital to Canada; it means so much to us, for I believe Canada can be a leader in the air among the nations of the world, and I urge that we keep that objective continually before the Canadian people. I thank the members for giving me these few extra minutes.

Mr. POULIOT: Mr. Chairman, this is a draft international air transport convention. I leave aside the fine speeches that have been made by members of all parties concerning this important matter. It is so wide in scope that it is most difficult to deal with it completely in the short time we are allowed to express our views. This afternoon I have listened to my hon. friends from Broadview, Red Deer and Vancouver South, and I congratulate them warmly on the efforts they have made to make useful suggestions for the future. I thought that the little interlude between the Minister of Munitions and Supply and the leader of the opposition was refreshing.

But, sir, we are in Lent and it is an appropriate time to make an act of humility, the more so because there is a reference in the draft to the importance of the various nations. Who will decide upon the importance of nations? And what is the importance of our own country? Here we think, and rightly so, that Canada is an important country. But what will the international air transport authority think of the importance of our country? Who will compose that authority? I am not impressed by big names—hon. gentlemen must know that. The minister has mentioned Lord Beaverbrook, a former Canadian citizen, and Mr. Churchill, and responsibility for the coordination of post-war civil air transport authority. Those are two great names. But unfortunately in his last broadcast Mr. Churchill mentioned all countries of the world except Canada, which shows that in his mind at the time Canada was not so important as Australia, New Zealand and any other country. By the way, it is unfortunate that the censor did not act with his scissors to cut out the whole speech, because if Mr. Churchill thought it proper to mention some countries of the world, Canada deserved a place on his lips and he had no reason to omit Canada. It shows the importance of our country. One day Canada is told that she is an important country, and the next day she is ignored. We must take it as it is. It is an act of humility which may not please proud people. But we must get down to facts. On Sunday last Canada was not important in the mind and on

the lips of the Prime Minister of Britain. It may be some day. I do not say that what happened last Sunday will happen again, just because it is being mentioned in the House of Commons right now, but it may.

What I find strange is that this draft is considered as if it were a contract. It is discussed as if it had been accepted by some other states. Was it submitted to any other state? We have the pronouncement made by the Prime Minister last year on civil aviation, and here we have a plan. What is the reaction in the United States? What is the reaction in Russia? What is it in Great Britain? No one knows. If this draft is approved by parliament it will bind no one except those who find it satisfactory, and if they do not find it satisfactory we shall have to accept their amendments before they can bind us. That is an elementary principle of law. Is it not of the utmost importance to know what are the views of the states which are considered important in the field of aviation, before discussing in this chamber a draft which no speech of any private member will ever change? I know very well that whatever suggestions are made by any member of parliament, the time spent in making them will be pure waste. If I rise to-day to speak on this matter, it is not in the hope that the minister will agree to change his draft, but that hon. members will awake to their full responsibility and will advise the minister to be very careful about this agreement and to keep it in the cupboard, or in a drawer of his desk.

I have tried to find in this draft any mention of Canada. I do not see it. Perhaps it is somewhere. I complain of the fact that this important draft is printed in very small type. Usually agreements or similar papers are published as an appendix or schedule to the *Votes and Proceedings,* and in type sufficiently large that we do not need a magnifying glass to read them. Hon. members who have read that draft as it is printed in *Hansard* deserve special credit; I wonder if they will not have to consult an eye specialist, for their eyes must be very tired. I confess that I did not read it all, but I read enough of it to warn the minister of the danger of suggesting such a policy. That does not mean that I am opposed to international aviation; for I am not. But this is devised for post-war trade with all nations, including the enemy—who I hope and have every reason to believe will be defeated. There are commodities which it will not be possible to carry by air. Coal will not be transported by air, and it is more than doubtful whether aviation will serve for the transportation of grain and timber. I do not see telegraph poles on aeroplanes. We shall continue to need ships. But according to news in the press the ships we shall have after the war will not be so fast as those owned in competitor states, particularly the United States. Ours will be much slower and therefore will transport less. And where will our aeroplanes come from? How long will it take to get back those which are now in Great Britain and other parts of the world? That is another problem. We need more information before we are in a position to discuss this post-war aviation scheme.

Looking at the convention, one observes in the first place that it establishes an "international air transport authority". It is the first time I have seen the word "authority" used with this meaning in any piece of legislation or in our *Hansard.* It is an English term, used, for instance, in the title of the "Port of London Authority", which is the Port of London Incorporated or the Port of London Corporation. It is never used here in that manner. That shows that the convention has been drafted by someone who has an English training and who has been at some time either at Oxford, or Cambridge, or Edinburgh. But that is not the question. The question is, what will be the powers of such authority? It seems to me that this air draft convention is very "draft-y". First, it establishes an international air transport authority. Second, it gives it a constitution. Third, it endows it with powers. And what is that authority? It is an assembly representing all member states. Then there is a small executive committee with a board of directors; and there is a regional council. What is a "region"? It is not defined. A region is supposed to be a district, a smaller area, but according to this draft convention it may comprise several states. Quite a region!

And then there is the regional council. What are the duties of the authority? It is to make the most effective contribution to the establishment and maintenance—"maintenance," mark you—of a permanent system of general security, a new league of nations, as the hon. member for Vancouver South has aptly said. Is it to be expected that guns will be placed on the aeroplanes which carry passengers and freight, to maintain security and to chastise all those who infringe upon such security? That is the first thing. The second purpose is to meet the needs of the peoples of the world—mark you, sir, "the peoples of the world"—for efficient and economical air transport. It is not for Canada; it is for the peoples of the world. I have enough of "the peoples of the

world"; I want Canada to be served first and then to see what can be done by Canada with the other peoples of the world. Canada should be on a sound basis first. It is a new league of nations which we are launching in the air.

And the third purpose is to ensure that so far as possible international air routes and services are divided fairly and equitably between the various member states. Everybody remembers the difficulty which arose at Westminster over the United States aviation scheme. It was denounced in England, I remember, by Lady Astor, who is a member of the British parliament. Trouble arose especially in connection with aviation. The United States and the British schemes regarding money, the sterling area proposals and so forth, did not cause so much resentment as the suggestion that the United States were to lead the world in the domain of aviation. The reaction came at once from Westminster, and then we did not hear of it again until the Prime Minister mentioned that scheme last year. Now we have it in writing. Why not let those big countries, Russia, Great Britain and the United States, come to an understanding about this matter?

Mr. HOWE: If my hon. friend will permit me to interrupt, we are to be called to another place shortly, and I wonder if he would object if I asked the committee to rise, report progress, and ask leave to sit again.

Mr. POULIOT: I never object to going to the Senate to attend the sanctioning of bills.

The ACTING CHAIRMAN (Mr. McCann): Shall the resolution carry?

Some hon. MEMBERS: No.

Item stands.

Progress reported.

THE ROYAL ASSENT

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

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

Accordingly, the house went up to the Senate.

And having returned,

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

An Act to authorize the raising, by way of loan, of certain sums of money for the Public Service.

[Mr. Pouliot.]

An Act to amend the Technical Education Act.

An Act to amend the Exchequer Court Act.

An Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1945.

An Act for granting to His Majesty aid for National Defence and Security.

An Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1944.

On motion of Mr. Crerar the house adjourned at 6.05 p.m. until Monday, April 17, at three o'clock in the afternoon.

Monday, April 17, 1944

The house met at three o'clock.

THE LATE HUGH B. McKINNON

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, hon. members will have learned with deep regret of the passing, during the Easter recess, of the hon. member for Kenora-Rainy River, Mr. Hugh McKinnon.

Before resuming our sessional duties, I should like to express the sense of loss we experience to-day as we realize he is no longer with us.

Mr. McKinnon was a member of this house for nearly ten years, having been first returned to parliament in a by-election in September, 1934. He was reelected at the general elections in 1935, and again in 1940.

Mr. McKinnon was born in Kenora, and at the time of his death had all but completed his fifty-ninth year. His interest in public life first manifested itself in municipal affairs and, later, in provincial affairs. He was, for a time, member of the town council of Kenora, and at the age of forty-one was a candidate for the Ontario legislature. Though unsuccessful in the contest, he lost none of the personal popularity he enjoyed among those who knew him best, and when first nominated as a candidate for the federal parliament he carried the constituency by a majority of over six thousand.

Mr. McKinnon will be remembered by his fellow-Canadians for his deep interest in and practical knowledge of the problems of labour, and of railway labour in particular. He himself had become a locomotive engineer when he was scarcely twenty-one years of age, and his knowledge of our country's political as well as industrial problems was gained in the school of practical experience. He was a devoted member of the Brotherhood of Loco-

motive Engineers. There could be no higher testimony to his ability and fidelity than the regard in which he was held by the entire membership of this enlightened and powerful organization. Recognition of this confidence found expression as early as 1928 in his appointment as one of the technical advisers to the Canadian delegation to the conference of the International Labour Office of the League of Nations, which was held at Geneva that year.

As we in this parliament recall our association with the late Mr. McKinnon, we think of him as one of the kindliest and most modest of men, faithful in his attendance at house sittings, constant in his interest in its proceedings, and deeply solicitous in his own quiet and unassuming way, of the well-being of his fellowmen wherever opportunities to serve their interests arose.

In my last conversation with him in one of the lobbies of this house, he spoke with great earnestness of some of the problems he saw looming on the horizon and of the manner in which he believed they could be most effectively met. I need hardly add that our conversation had to do with the closest possible cooperation of all classes in the prosecution of the war, and in the solution of post-war problems.

Our country and our parliament owe a great debt to men of the type of the late Mr. McKinnon, who look to what is best in human nature, and whose constant effort it is to remove distrust, and to establish confidence wherever that is possible in the affairs of industry and of the state.

I personally feel very deeply the loss of so loyal a supporter and so true a friend as Mr. McKinnon was to me at all times. This sense of loss I know is shared to the full by my colleagues and by all hon. members who sit on this side of the house. I know I can say, wholly irrespective of party political affiliations, that Mr. McKinnon's passing will be felt by all hon. members as a distinct loss to the membership of this house.

Mr. McKinnon is survived by his wife and seven children, four daughter and three sons, two of whom, still young in years, are serving in the armed forces, both have been overseas.

I would ask you, Mr. Speaker, to convey to Mrs. McKinnon and to all the members of her family, the expression of the great respect in which her late husband's memory is held by all members of this house, and of the deep sympathy felt by hon. members for her and for all the members of her family in their bereavement.

Mr. GORDON GRAYDON (Leader of the Opposition): Mr. Speaker, the friendship of the various men with whom one comes in contact is one of the treasured prizes of public life. Hugh McKinnon was a member of the house whose friendship I was honoured to have. I liked his approachability, his open manner, and regardless of any political divisions in this parliament I am sure he was beloved by all hon. members. He was one of the workers of Canada who had been raised to high positions of honour by those who knew him best. He was in every respect what is known as a self-made man, and for this we in the House of Commons honour him.

As the Prime Minister has pointed out, Hugh McKinnon was a great exponent of the principles and ideals of the Labour movement. He was a member of that movement, and the very last time I heard him speak in this chamber was in connection with that beloved topic of his. His words always carried exceptional weight in this house, despite the fact that the opportunity of debate was not always his, because every member believed that when he spoke he expressed his true convictions.

Mr. McKinnon represented one of the great developing constituencies in Canada, and his friendship particularly for those who worked with him through the years in the railway brotherhood was something which I think all of us would wish to have brought to the attention of the house, as the Prime Minister has done to-day. His only two sons of military age are in the armed forces, and two sons-in-law have been overseas in this war, so that what the late Hugh McKinnon himself contributed by way of public service to his country is being continued, and the torch carried by his family to-day.

I want to extend to the Prime Minister and to the government on behalf of His Majesty's Loyal Opposition our sympathy in their great loss of a respected and beloved colleague. To Mrs. McKinnon and the family goes out our deep and genuine sympathy, and I should like to be associated with the Prime Minister, Mr. Speaker, in the message of sympathy which you have been asked to convey to the bereaved wife and family.

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, we wish to join in this expression of sympathy for Mrs. McKinnon and the family, and also to associate ourselves with those who have expressed sympathy with the Prime Minister in the loss of a faithful friend and follower. From time to time when we

reassemble after an adjournment we are shocked to find that one or more of our membership have passed to the great beyond. Indeed, in the midst of life we are in death, and I think that is brought home to us in this house more directly than in most other spheres of peaceful activity.

Mr. McKinnon, as the Prime Minister has said, was a good member of this house, and a good representative of the calling which he followed. I have heard engineers of the town of Kenora say, when I have been visiting there, that Mr. McKinnon was one of the best engineers who served the great railway system which he joined many years ago. I had the privilege of meeting him on the committees of this house more frequently than perhaps in any other parliamentary activity, and I always appreciated his kindly manner and the sense of responsibility which he displayed under all circumstances. We of this party wish to join in the expression of sympathy which you will convey, Mr. Speaker, to his widow and family.

Mr. J. H. BLACKMORE (Lethbridge): Mr. Speaker, the words of the Prime Minister and of the two other hon. members who have preceded have pictured a very fine man. I knew Mr. McKinnon personally and have a similar opinion of him, and I desire to join with the Prime Minister and those who have already spoken in words of appreciation of this good man's good life and in words of sympathy to those who are bereaved.

Mr. J. H. HARRIS (Danforth): Mr. Speaker, may I be permitted to add a word of tribute to the late Hugh McKinnon? It was my privilege four or five years ago to have him at my home in the city of Toronto for a week, at which time he was very much interested in the transportation problem that we had in that centre, and I must say that we enjoyed having him with us. He was a Christian gentleman of the highest order. He had intensely studied the subject in which he was interested, and it was a great pleasure to be associated with him. While he was in Toronto he gave his earnest attention to some of the industrial problems of that great centre, for he had a conception of what the industrial life of the centre of the central province means to his own community.

I have felt keenly the passing of the late Hugh McKinnon, and I desire that it go on record that we thought highly of him, and that we extend to his good wife and the members of his family our sincere condolences. I trust that you, Mr. Speaker, will find a way of embodying these sentiments in the records of the House of Commons.

[Mr. Coldwell.]

MUTUAL AID

TABLING OF AGREEMENT WITH THE FRENCH COMMITTEE OF NATIONAL LIBERATION

Right Hon. W. L. MACKENZIE KING (Secretary of State for External Affairs): Mr. Speaker, I should like to table copies of the mutual aid agreement which was signed on Friday last with the French Committee of National Liberation.

Hon. members will recall that on March 16 I gave a lengthy statement on the mutual aid agreements with the United Kingdom, the Union of Soviet Socialist Republics, and Australia. Since that time a similar agreement has been signed with China. The present agreement with the French committee is thus the fifth to be concluded. All agreements are substantially the same in form and are identical in purpose and principle. The present agreement differs from the agreement with the United Kingdom only in a few minor particulars—chiefly matters of terminology—arising out of the fact that the committee has not the formal status of a government.

The agreement which I am tabling sets forth the general terms and conditions under which war supplies are being transferred under the Mutual Aid Act. The fact that no agreement has been signed until now does not, of course, mean that no supplies have yet been sent under the principles of mutual aid. The agreement merely sets out in formal terms the conditions under which such aid has already been sent and under which it will continue to be sent in future. As I pointed out on March 16, there will be an opportunity of discussing the terms of the various agreements when the mutual aid legislation is before the house, and at the moment I wish only to acquaint the house with the fact that this further agreement has been signed, and to make public the terms.

It gave me particular pleasure to sign this agreement, just as it now does to lay it before the house. We have, in the provision of mutual aid, a tangible and most practical demonstration of the cooperation between Canada and the French committee in the prosecution of the war. The committee is carrying forward the great traditions of France in its unrelenting fight against our common enemy, and it will be, I am sure, a source of satisfaction to all the people of Canada that we are able to help in this direct and practical way.

Mr. HANSON (York-Sunbury): May I ask the Prime Minister to make a statement of some kind with respect to what, if any, extraterritorial rights Canada had in China?

Mr. MACKENZIE KING: My hon. friend has anticipated the next subject on which I wish to speak.

Mr. HANSON (York-Sunbury: I beg pardon. Great minds run in the same channels.

Mr. POULIOT: Regarding the agreement which has just been tabled between Canada and the French Committee of National Liberation, Major-General Vanier is the ambassador of Canada in Algiers, and I see that the agreement is signed for and on behalf of the French Committee of National Liberation by "G. Bonneau." I wonder what is the title of Mr. Bonneau, and how it is that the committee has no ambassador here, as we have one there. I wonder also if the ambassador over there represents the King of Canada as well as the territory of Canada, and what would Mr. Bonneau represent, and why it is not an ambassador who signs? Why does not the French Committee of National Liberation treat Canada as well as Canada treats it?

Mr. MACKENZIE KING: General Vanier has the status of an ambassador, but he is not sent as an ambassador to the French committee. The committee, as I have mentioned, is not in the same position as a recognized government, and Mr. Bonneau in Canada is the representative of the committee. Canada will welcome the opportunity of receiving in accordance with customary diplomatic practice, an ambassador from France just as soon as France again has a duly constituted government.

Mr. POULIOT: Has Mr. Bonneau the status of an ambassador also?

Mr. MACKENZIE KING: No, he has not the status of an ambassador. He has the status of a representative in Canada of the French national committee.

INTERNATIONAL AGREEMENTS

CANADA-CHINA—RELINQUISHMENT OF EXTRA-TERRITORIAL RIGHTS

Right Hon. W. L. MACKENZIE KING (Secretary of State for External Affairs): Mr. Speaker, I desire to table three copies of the treaty between Canada and the Republic of China concerning the relinquishment of extra-territorial rights and the regulation of related matters, with exchange of notes, signed at Ottawa on April 14, 1944.

With respect to the treaty which I have just tabled, it is similar in its terms to the British extraterritorial treaty concluded on behalf of the United Kingdom, Northern Ireland and India on January 11, 1943, and to the United States treaty with China, concluded on the same day.

On the coming into force of the treaty, all international agreements which authorize British or Canadian authorities to exercise jurisdiction in China over Canadian nationals are abrogated. The government of Canada agrees to cooperate with the government of the Republic of China, to the extent that any Canadian interest may be involved, in arrangements for the abandonment by foreign govenments of special privileges hitherto held by them in Peiping, Shanghai, Amoy, Tientsin and Canton.

The relinquishment of extraterritorial rights does not affect existing rights of Canadian nationals with regard to real property in China. It is agreed that Canadian property in China will be subject to Chinese laws concerning taxation and national defence. Real property held by Canadian nationals in China may not be alienated to the government or nationals of a third country without the consent of the government of China. The Chinese government agrees to apply this restriction on alienation in an equitable manner, and undertakes to take over the property in question and pay adequate compensation therefor, if the right to transfer is refused.

Canadian nationals in China are to be accorded the right to travel, reside and carry on trade in China. Each country is to endeavour to accord to nationals of the other, treatment not less favourable than that enjoyed by its own nationals in regard to legal proceedings, the administration of justice and the levying of taxes.

Consular officers of each country may re side in such places as are agreed on. They are to have the right to interview and to communicate with nationals of their country, are to be informed whenever any such nationals are under arrest, and may visit such nationals and receive communications from them.

The treaty provides that, not later than six months after the cessation of hostilities, the two governments will enter into a comprehensive modern treaty of friendship, commerce, navigation and consular rights; meanwhile, questions affecting the rights of Canadian nationals in China and questions affecting the sovereignty of the republic of China, which are not covered by this or previous treaties, will be decided in accordance with generally accepted principles of international law.

This treaty forges yet another bond with our great ally China, which has so long resisted our common enemy. It is evidence, not only of the solidarity of the united nations in the present struggle, but of their determination to preserve the good relations which have been built up during the war and to continue them into a lasting peace.

With regard to the question which the hon. member for York-Sunbury (Mr. Hanson) asked a few moments ago, I would say that the treaty will be brought before parliament for the purposes of approval, and will subsequently be ratified. At the time that the treaty is before the house for approval I shall seek to give my hon. friend the answer to the question he has asked.

CHINESE IMMIGRATION

DRAFT TREATY FOR RECIPROCAL ADMISSION OF NATIONALS FOR TEMPORARY RESIDENCE

Hon. R. B. HANSON (York-Sunbury): When the Prime Minister makes the statement which he has promised, will he tell the house and the country what consideration, if any, was given, at the time of making the treaty, with respect to the Chinese exclusion bill which was passed by his government in the early twenties.

Mr. MACKENZIE KING: My hon. friend's thoughts and mine are running along the same line.

On January 17, 1944, we presented the Chinese minister with a draft of an immigration treaty, which, if approved and implemented by Canadian legislation, would supersede the Chinese Immigration Act of 1923 against which so many protests have been made.

The draft treaty provides for the admission to either country on renewable permits for temporary residence of nationals of the other country belonging to approved categories (merchants, doctors, ministers of the gospel, et cetera). The treaty is entirely mutual and reciprocal and will, we hope, meet Chinese views without causing opposition in any part of Canada.

The draft treaty has no parallel in any other country. The United States is meeting the same problem by admitting a small number of Chinese as permanent immigrants under the American quota system.

We are now waiting for a reply from the Chinese government to our proposals.

[Mr. Mackenzie King.]

WHEAT BOARD

QUESTION AS TO ACTION IN COURTS FOR ACCOUNTING

Hon. J. A. MacKINNON (Minister of Trade and Commerce): On Friday, March 24, the hon. member for Qu'Appelle (Mr. Perley) gave me notice of the following question:

Has any action been brought in the courts against the Canadian wheat board for an accounting? If so, by whom was such action brought, on what date and in what province? If action has been brought, has any judgment been rendered, and what is the effect of that judgment?

I am informed that an action for an accounting was commenced by Arthur Henry Oatway of Lilyfield in Manitoba against the Canadian wheat board on the 18th day of October, 1943, but that the action has not yet been tried.

PRIVATE BILLS

FIRST READING—SENATE BILLS

Bill No. 66, for the relief of Wilson Allan Martin.—Mr. Fulford.

Bill No. 67, for the relief of Victoria May Larkin Kirkcaldy.—Mr. Casselman (Grenville-Dundas).

Bill No. 68, for the relief of Nellie Blinkhorn Cowie.—Mr. MacInnis.

Bill No. 69, for the relief of William Mace.—Mr. Casselman (Grenville-Dundas).

Bill No. 70, for the relief of Pauline Hislop Ralph.—Mr. Casselman (Grenville-Dundas).

Bill No. 71, for the relief of Ethel Mary Moffatt Shaw.—Mr. Whitman.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

SYNTHETIC RUBBER

Mr. DOUGLAS (Weyburn):

1. What is the total cost of erecting and equipping the synthetic rubber plant at Sarnia, Ontario?

2. How much of this cost was borne by the Canadian government?

3. By whom is this plant now being operated, and on what basis?

4. What is the cost per pound to the Canadian government of synthetic rubber manufactured in the above named plant?

5. What is the total amount paid by the government to the firm operating this plant as at December 31, 1943?

Mr. CHEVRIER:

1. Approximately $49,500,000. This includes all units in the self-integrated plant.

2. Entirely.

3. (a) The responsibility for operating the various units has been delegated as follows:

Dow Chemical of Canada Limited—Styrene plant.

St. Clair Processing Corporation Limited—Feed preparation units; butadiene plant; butyl rubber plant; steam and power plant; pumping station maintenance buildings.

Canadian Synthetic Rubber Limited—Buna S. copolymer plant.

(b) Each of the above operating companies operates its respective unit or units on a management-fee basis for Polymer Corporation Limited, which is a government-owned corporation, all the shares of which are held in trust by the Honourable the Minister of Munitions and Supply for the Canadian government. The Polymer Corporation Limited assumes, on behalf of the Department of Munitions and Supply, general responsibility for coordination and supervision, engineering approval, purchasing, financing, accounting, and sale and servicing of products. The operating companies assume direct responsibility for production, plant management, requisitions for supplies, employment and direction of operating personnel.

4. It is not considered in the public interest to give specific costs at this time on rubber production. Please refer to the minister's statement on approximate costs page 1774 *Hansard,* 1944. Also please refer to page 1872 *Hansard,* 1944, regarding the giving of cost figures on critical munitions and commodities.

5. The only operating company to have received a management fee as at December 31, 1943, was the Dow Chemical of Canada Limited. Payment was as follow:

Ethyl benzene management fee (for ethyl benzene produced over and above that required for the manufacture of styrene, which surplus was shipped to the Rubber Reserve Co.)	$ 1,250 81
Styrene management fee	41,143 20
	$42,394 01

No management fee has yet been paid to Canadian Synthetic Rubber Limited or to St. Clair Processing Corporation Limited. In the case of the former, the management fee was under negotiation at December 31, 1943 and was only recently agreed upon. In the case of the latter, the operating contract has not yet been settled, although the basis for determining the remuneration for its services will be similar to that applying to the other two operating companies in that it will be paid its costs and a reasonable management fee for its services and technical skill.

OTTAWA NAVAL SERVICE BUILDING

Mr. BENCE:

What was the total cost of the naval service building constructed for the Department of National Defence on Cartier Square, facing Elgin street?

Mr. MACDONALD (Kingston City): $885,369.63. In addition, there is an outstanding settlement at present under negotiation of approximately $3,000, the exact amount of which has not yet been determined.

AIR TRAINING PLAN—AIRPORTS

Mr. CASTLEDEN:

1. What new airports under the empire air training plan were opened in Canada during 1943?

2. What was the total cost of building each of these airports?

3. Upon what date were these airports opened for training?

Mr. MacMILLAN:

1. Souris, Man.; Mohawk, Ont.; Abbotsford, B.C.; Gimli, Man.; Mount Pleasant, P.E.I.

2. See Appendix "A" below.

3.

	Commencement date for training
Souris, Man.	8 March, 1943.
Mohawk, Ont.	12 April, 1943.
Abbotsford, B.C.	6 Sept., 1943.
Gimli, Man.	6 Sept., 1943.
Mount Peasant, P.E.I.	20 Sept., 1943.

Appendix "A"

Royal Canadian Air Force
British Commonwealth Air Training Plan

Statement of Commitments and Cash Expenditures

Schools Opened in 1943

Commitments to Date

	Fiscal Years				
	1940–41	1941–42	1942–43	1943–44	Total
No. 1 I.F.S.,					
Mohawk, Ont.	.....	$ 544,845 00	$1,010,856 85	$ 361,751 71	$1,917,453 56
No. 10 B.G.S.,					
Mount Pleasant, P.E.I.	$188,200 00	453,435 43	2,800,534 44	565,874 66	4,008,044 53
No. 17 S.F.T.S.,					
Souris, Man.	.....	2,282,181 66	46,860 90	26,699 84	2,355,742 40
R.1 Hartney, Man.	.....	419,043 00	58,047 55	.....	477,090 55
R.2 Elgin, Man.	.....	77,300 00	120,150 00	.....	197,450 00
No. 18 S.F.T.S.,					
Gimli, Man.	.....	.....	2,642,151 00	119,531 65	2,761,682 65
R.1 Netley Lake, Man.	.....	.....	840,030 00	17,148 10	857,178 10
Abbotsford, B.C.	.....	4,000 00	4,256,868 78	648,768 50	4,909,637 28
Totals	$188,200 00	$3,780,805 09	$11,775,499 52	$1,739,774 46	$17,484,279 07

Cash Expenditures to 29th February, 1944

	Fiscal Years				
	1940–41	1941–42	1942–43	1943–44	Total
No. 1 I.F.S.,					
Mohawk, Ont.	.....	$ 32,527 34	$ 529,613 00	$ 829,715 99	$1,391,856 33
No. 10 B.G.S.,					
Mount Pleasant, P.E.I.	.....	216,981 01	756,439 51	1,729,224 43	2,702,644 95
No. 17 S.F.T.S.,					
Souris, Man.	.....	961,433 97	1,247,357 15	39,836 33	2,248,627 45
R.1 Hartney, Man.	.....	88,007 32	321,864 67	25,172 49	435,044 48
R.2 Elgin, Man.	.....	5,815 16	37,009 69	87,762 57	130,587 42
No. 18 S.F.T.S.,					
Gimli, Man.	.....	.....	1,414,989 88	1,073,910 26	2,488,900 14
R.1 Netley Lake, Man.	.....	.....	436,342 95	277,137 70	713,480 65
Abbotsford, B.C.	.....	.....	1,831,700 09	2,382,190 89	4,213,890 98
Totals	.....	$1,304,764 80	$6,575,316 94	$6,444,950 66	$14,325,032 40

WHEAT—STORAGE AND CARRY-OVER

Mr. PERLEY:

1. What is the volume of wheat in storage and in transit to the account of the Canadian wheat board as at March 1, 1944, and what is the estimated value of same?

2. What is the volume of other grains in storage and in transit to the account of the board as at March 1, 1944, and the estimated value of same?

3. What is the volume of wheat from the 1942-1943 crops still in the growers' hands to be delivered to the board in accordance with its purchase arrangements with the farmers, and what is the estimated value of same?

4. What is the volume of other grains from the 1942-1943 crops still in the growers' hands to be delivered to the board, and what is the estimated value of same?

5. What is the estimate of the probable wheat carry-over as at June 30, 1944, and the estimated value of same?

6. What is the estimated carry-over of other grains for which the board is the purchaser as at June 30, 1944, and the estimated value of same?

7. What is the estimated gross purchase cost to the board of such wheat carry-over, and the estimated purchase cost to the board of other grains carry-over?

8. What is the gross aggregate sum in dollars at prevailing market prices as represented by the carry-over of both wheat and other grains?

9. How is this gross amount being financed by the wheat board, and what is the estimated interest-rate cost of financing?

Mr. MacKINNON (Edmonton West):

1. Wheat in storage and in transit at 29th February, 1944—264,620,636.53 bushels. Estimated value—$325,155,387.31.

2. Flaxseed in storage and in transit at 29th February, 1944—6,661,206.39 bushels. Estimated value—$16,576,094.06.

3. Not ascertainable.

4. Not ascertainable.

5. Not ascertainable.

6. Not ascertainable.

7. Not ascertainable.

8. Not ascertainable.

9. Grain values, as shown in answers to "1" and "2", are financed by the banks either by direct loans to the board or to the companies, who are agents of the board, and from surplus funds. Interest rates are from 3 to 4 per cent depending on location of stocks.

N.B. 3. A Canadian Wheat Board survey indicated that as of March 17 there remained to be marketed during the present crop year 91,000,000 bushels. The Dominion Bureau of Statistics estimate as of March 31 indicated 210,000,000 bushels was still on farms, but only part of this amount would be deliverable under the 18 bushel quota per authorized acre. The balance would be used for seed, feed and farm carry-over. Because the grades are unknown, no estimate of the value is obtainable.

4. According to the Canadian Wheat Board survey as of March 17: barley 27,000,000; oats 65,000,000; rye 1,000,000; flaxseed 1,000,000 bushels. The Dominion Bureau of Statistics estimate of March 31 farm stocks was barley 83,000,000; oats 194,000,000; rye 2,450,000; flaxseed 3,100,000 bushels, but these stocks also include seed, feed and farm carry-over stocks, as well as grain to be delivered. Likewise, because the grades are unknown, no estimate of the value is obtainable.

5. The Dominion Bureau of Statistics forecast of the July 31 wheat carry-over in all positions is 375,000,000 bushels. The amounts in each position ranging from farms to seaboard are not ascertainable in advance, and no estimate of the over-all value is obtainable.

6. The Dominion Bureau of Statistics has made no forecast of the July 31 carry-over of other grains.

WOOD FUEL SUBSIDY—YUKON

Mr. BLACK (Yukon):

1. What wood fuel dealers in Yukon have applied for subsidy on wood fuel?

2. What amount of subsidy has each applied for?

3. Who, of those who have applied for subsidy, have been paid, and how much has been paid to each?

Mr. ABBOTT:

1, 2 and 3. The total amount paid by way of subsidy on wood fuel to dealers in the Yukon to March 28, 1944, is $180. A statement of government policy in connection with revealing the names of applicants or recipients of subsidy appears on page 2672 of *Hansard* for May 14th, 1943.

SUBSIDIES ON PRODUCTION OF FOODSTUFFS

Mr. HATFIELD:

1. How much in subsidies has been paid by the Commodity Prices Stabilization Corporation on the import, domestic and export production of the following foodstuffs, (a) fresh meats; (b) canned vegetables; (c) canned fruit; (d) fresh fruit; (e) tea; (f) rice; (g) prunes; (h) coffee; (i) grapefruit juice; (j) raw sugar; (k) refined sugar; (l) potatoes?

2. How much in subsidies have they paid on the import, domestic and export production of the following manufactured goods, (a) fertilizer; (b) fertilizer material?

3. How much have they paid in subsidies on all the imports, domestic and export production of all foodstuffs?

4. How much have they paid in subsidies on all the import, domestic and export production of all manufactured goods?

Mr. ABBOTT:

1, 2, 3 and 4. A complete list of import and domestic subsidies paid by the Commodity

Prices Stabilization Corporation from the inception of the price ceiling, December 1, 1941 to December 31, 1943, is to be found in appendix F on page 55 of the report of the wartime prices and trade board, April 1, 1943 to December 31, 1943.

The Commodity Prices Stabilization Corporation has no authority to pay subsidy on goods for export.

CANADIAN ARMY—DOCTORS

Mr. LACOMBE:

1. What are the names of the doctors who examine young men called for training at Longueuil?
2. What is the racial origin of each of these doctors?
3. What remuneration is received by each of these doctors for professional services?

Mr. MACDONALD (Halifax):

1. Army medical officers—

Rank and name	Speaks English, French or both languages	Rates of pay per diem	Dependents' allowance per month
Lt.-Col. A. L. Delahaye	English and French	$11 00	Nil
Major G. Gill	English and French	9 25	$71 12
Major A. E. Parks	English	9 25	71 12
Major J. A. L. Walker	English and French	9 25	57 20
Major J. E. Mathieu	English and French	9 25	57 20
Major F. F. Ramey	English and French	9 25	93 12
Major E. A. Stuart	English	9 25	57 20
Capt. D. Miron	English and French	7 50	Nil
Capt. R. Therrien	English and French	7 50	66 12
Capt. H. M. Wachs	English and French	7 50	52 20
Capt. C. Bertrand	English and French	7 50	66 12
Capt. J. N. Fortin	English and French	7 50	78 12
Lieut. F. Beaubien	English and French	5 00	61 12
Capt. J. P. G. Maroosis	English	7 50	52 20
Lieut. A. Tardif	English and French	5 00	47 20
Major T. E. Dancey	English and French	9 25	71 12
Major P. Lariviere	English and French	9 25	57 20
Capt. W. I. Breslin	English and French	9 25	52 20
Capt. A. Demers	English and French	7 50	Nil
Capt. E. G. Jenkins	English and French	7 50	66 12
Capt. W. D. Ross	English and French	7 50	52 20
Capt. V. Voyer	English and French	7 50	66 12
Capt. F. C. R. Chalke	English	7 50	52 20
Capt. R. Cote	English and French	7 50	66 12
Civilian doctors			
Dr. P. Archambault	English and French		
Dr. A. Carreau	English and French		
Dr. J. T. Ryan	English and French		
Dr. P. Prendergast	English and French		
Dr. A. Roy	English and French		
Dr. H. Aubry	English and French		
Dr. H. Michaud	English and French		
Dr. J. Kolber	English		
Dr. J. E. Bernier	English and French		
Dr. P. Salgado	English and French		
Dr. S. S. Sperber	English and French		
Dr. S. Venne	English and French		
Dr. A. Issenman	English and French		
Dr. J. E. Racicot	English and French		

2. Army documents do not show racial origin, but indicate whether personnel speak English, French, or both. See answer to question 1.

3. Army medical officers—see answer to question 1.

Civilian doctors—the civilian doctors enumerated in question 1 are all paid at the rate of $9.70 for six hours' work. They are employed as required. Their employment depends on the number of men reporting for examination and they are only paid for the work done by them.

[Mr. Abbott.]

ALLOTMENTS OF RUBBER FOR MANUFACTURING AND PROCESSING

Mr. KNOWLES:

1. What companies in Canada during the year 1943 were allotted rubber for manufacturing and/or processing purposes?

2. What quantities of rubber were received by each of the above companies during the twelve months ending May 31, 1941, (a) for civilian purposes; (b) for defence purposes?

3. What quantities of, (a) crude rubber; (b) reclaimed rubber; (c) buna-S rubber, were received by each of the above companies during the year 1943, (i) for civilian purposes; (ii) for defence purposes?

Mr. CHEVRIER:

1. A. C. Rubber Mfg. Co. Ltd., The Acton Rubber Limited, American Wringer Co. of Canada Ltd., Armstrong Cork & Insulation Co. Ltd., Asbestonos Corporation Ltd., The Ault & Wiborg Co. of Canada Ltd., B.B. Chemical Co. Ltd., Backstay Standard Co. Ltd., Barringham Rubber Co. Ltd., Bata Shoe Co. of Canada Ltd., Biltrite Tire Co., M. Bloomfield & Son Ltd., Boston Insulated Wire and Cable Co. Ltd., British Rubber Co. of Canada Ltd., Cambridge Rubber Ltd., Campbell Mfg. Co. Ltd., Canada Wire and Cable Co. Ltd., Canadian Carborundum Co. Ltd., Canadian Colloid Products Ltd., Canadian Durex Abrasives Ltd., Canadian General Electric Co. Ltd., The Canadian General Rubber Co. Ltd., Canadian Industries Ltd., Canadian Johns-Manville Co. Ltd., Canadian Raybestos Co. Ltd., Canadian Triangle Wire and Cable, Chamberlain Engineering, Chemicals Limited, Dewey & Almy Chemical Co. of Canada Ltd., Dominion Oilcloth and Linoleum Co. Ltd., Dominion Rubber Co. Ltd., Dowsewell, Lees & Co. Ltd., Dunlop Tire and Rubber Goods Co. Ltd., Federal Wire and Cable Co. Ltd., Firestone Tire and Rubber Co. of Canada Ltd., Francis, Perry & Co. Ltd., B. F. Goodrich Rubber Co. of Canada Ltd., The Goodyear Tire & Rubber Co. of Canada Ltd., G. L. Griffith & Sons Ltd., Gutta Percha and Rubber Ltd., W. H. Hodgson, Holtite Rubber Co. of Canada Ltd., Jem Rubber Company Ltd., Johnson & Johnson, Ltd., Kauffman Rubber Co. Ltd., I. F. Laucks Ltd., Meredith, Simmons & Co. Ltd., The Miner Rubber Co. Ltd., National Tent and Awning Co., Northern Electric Co. Ltd., Novelty Rubber Co., Panther Rubber Co. Ltd., Phillips Electrical Works Ltd., St. Lawrence Rubber Co. Ltd., St. Maurice Chemicals, Seiberling Rubber Co. of Canada Ltd., The Sherwin-Williams Co. of Canada Ltd., The Singer Mfg. Co., A. G. Spalding & Bros. of Canada Ltd., Stedfast Rubber Co. (Canada) Ltd., Sterling Rubber Co. Ltd., Jos. Stokes Rubber Co. Ltd., Tillotson Rubber Co., Viceroy Mgf. Co. Ltd., Western Rubber Co. of Canada, S. C. Williams, F. E. Woodward & Sons Ltd.

2. Inasmuch as rubber is an extremely critical commodity, it is not in the public interest to give the information requested. This information was made available to the war expenditures committee (of which the hon. member is also a member) in secret session, but it should not otherwise be made public.

3. See answer to No. 2.

PENSIONS—OLD AGE AND BLIND

Mr. KNOWLES:

1. Are any of the provincial governments now paying supplementary grants to old age and blind pensioners beyond the amount provided by subsection (1) of section 9 of the Old Age Pensions Act, as amended by order in council P.C. 6367, dated August 10, 1943?

2. If so, which provinces are paying such supplementary grants, and what are the amounts of the same?

Mr. ABBOTT:

1. Yes.

2. According to information given by the provincial authorities, supplemental allowances are paid as follows:

British Columbia—$5 a month to each pensioner.

Alberta—$5 a month to each pensioner plus an amount up to $5 a year where income is less than $365 a year.

Saskatchewan and Manitoba—An amount up to $1.25 a month is paid to certain pensioners not entitled to an increase in pension under order in council P.C. 6367 of $1.25 a month or more.

Ontario—15% of the amount of pension payable under the Old Age Pensions Act prior to the passing of order in council P.C. 6367.

Nova Scotia—The pension authority has discretionary power to pay a supplemental allowance not exceeding $10 a month to any pensioner provided his total income does not exceed $365 a year. The increase in the maximum pension payable under this act has reduced the maximum amount of the supplemental allowance from $10 to $5 a month.

SUBSIDY ON IMPORTED POTATOES

Mr. CRUICKSHANK:

1. On what basis was the subsidy paid by the Commodity Prices Stabilization Corporation Limited on imported potatoes?

2. What amount was paid to each individual or corporation in this connection?

3. How are the records kept as to expenditures for subsidies paid on imported potatoes?

Mr. ABBOTT:

1. A subsidy was paid by the Commodity Prices Stabilization Corporation Limited on

imported new potatoes ordered on and after May 3, 1943 and entered for consumption between June 3 and 6 p.m. July 3, 1943. Potatoes for which forward contracts had been placed prior to July 3, 1943 were eligible for subsidy if entered for consumption or shipped on a through bill of lading before midnight, July 8, 1943. Imports up to and including July 31, 1943 were eligible for subsidy only if a permit for the importation had been obtained from the Foods Administration. Subsidy was payable to the importer obtaining title from the supplier in the U.S.A.

The subsidy payable was the amount by which the laid-down cost of the potatoes at the Canadian distribution point to which the potatoes were shipped by the foreign supplier exceeded the wholesale ceiling price for carload lots at that point as set by order 236 of the wartime prices and trade board and its amendments. Applicants were permitted to claim, in addition, a shrinkage allowance equal to 5 per cent of the total value of the potatoes at ceiling prices. Orders on and after June 3, 1943, were ineligible for subsidy if the price per 100 lbs. f.o.b. foreign supplier's shipping point exceeded either (i) the OPA ceiling price plus brokerage and other charges recognized by the OPA, or (ii) $3 (U.S. currency) including brokerage, whichever was the lesser.

2. A statement of government policy in connection with revealing the names of applicants or recipients of subsidy appears on page 2719 of Hansard for May 14, 1943.

3. The records of the Commodity Prices Stabilization Corporation Limited on expenditures for subsidies paid on imported potatoes are set up on the basis of the dollars and cents value of claims paid to each individual applicant.

VETERANS' LAND SETTLEMENT ACT, 1942

Mr. ROSS (Souris):

1. How many parcels of land have been purchased to March 1, 1944, in the province of Manitoba, under Veterans' Land Settlement Act of 1942?

2. What is the highest price per acre paid for a parcel of land, and in what municipality is it located?

3. What is the lowest price per acre paid for a parcel of land, and in what municipality is it located?

4. How many applications have been received from veterans for land settlement in Manitoba?

Mr. CRERAR:

(As at February 29, 1944)

1. (a) For full time farming, 33; (b) for small holding settlement purposes, 5.

2. (a) For cultivated land for full time farming purposes $22 an acre in the municipality of Portage La Prairie; (b) for cultivated land for small holding purposes $200 an acre in a municipality adjacent to Winnipeg.

3. (a) For cultivated land for full time farming purposes $10 an acre in the municipality of Dauphin; (b) for cultivated land for small holding settlement purposes $40 an acre in a municipality adjacent to Winnipeg.

Note: The average price paid for cultivated land for full time farming purposes in Manitoba up to the end of February, 1944, was $15.17 per acre and the average price paid for cultivated land for small holding settlement purposes was $125 per acre.

4. Forty-five.

WHEAT BOARD—COSTS AND LOSSES

Mr. PURDY:

What has been the total cost of the Canadian wheat board and its operations to the treasury of Canada from inception to date, including an estimate of losses, if any, which as yet have not been finalized?

Mr. MacKINNON (Edmonton West): Total cost to the dominion treasury of the wheat operations of the Canadian wheat board from its inception to 31st July, 1943:

1935 crop deficit		$11,858,104 18
1936 crop deficit		49,574 88
1938 crop deficit (together with accrued interest to date of funding)		61,525,691 19
1939 crop deficit		8,816,210 36
		$82,249,580 61
Less:		
Surplus from the operations of wheat holdings acquired from the Canadian Co-operative Wheat Producers Limited...	$24,809,988 42	
Surplus from the operations in respect of special account—P.C. 1803	1,990,310 13	
		26,800,298 55
		$55,449,282 06

CHARLOTTE COUNTY, N.B., TRAINING CAMP

Mr. HATFIELD:

1. Did the government purchase land in Charlotte county, New Brunswick, for the training camp known as "Utopia"?

2. If so, from whom did the government purchase the land?

3. What price was paid for the land?

Mr. MACDONALD (Halifax):

1. Yes.

2 and 3.

Bridges Brothers	$39,384.80
Arnold Alexander	2,000.00
Trynor Brothers	4,817.40
Harry Fraser	2,080.20
Robert Spear	255.20
Mrs. Margaret Mitchel	322.96
Alva L. Langmaid	199.32
Harold Gillespie	338.84
Mrs. Amanda Hunter	133.32
Joseph Jack	585.30
Leslie Armstrong	341.74
Mabel Spear	110.00
Connors Bros. Ltd.	1,102.20
James Boyd	1,274.59

WARTIME SALARIES ORDER—INCREASES AUTHORIZED IN NOVA SCOTIA

Mr. PURDY:

Under P.C. 1549, wartime salaries order, how many salary increases have been authorized in the province of Nova Scotia, and how many in each county in that province in, (a) concerns engaged entirely in war work; (b) concerns engaged partially in war work; (c) concerns whose normal activities have been greatly increased by war work?

Mr. GIBSON: 137. No records are kept in respect of counties.

(a) 28.

(b) No records are kept in respect of these concerns.

(c) No records are kept in respect of these concerns.

UNIVERSITY SCIENCE STUDENTS REGULATIONS, (U.S.S.R.)

Mr. TUSTIN:

1. What are the names of the universities which have engineering faculties recognized by the university science students regulations (U.S.S.R.)?

2. How many graduated in engineering in each of these universities in 1943 and 1944?

3. How many of these graduates volunteered for technical appointments in the three services under the provisions of the university science students regulations (U.S.S.R.)?

4. How many of these were found to be medically unfit?

5. How many received technical appointments?

6. How many enlisted in the services in non-technical capacity?

Mr. MARTIN:

1. The University of British Columbia, The University of Alberta, The University of Saskatchewan, The University of Manitoba, The University of Toronto, Queen's University, McGill University, Ecole Polytechnique de Montreal, Laval University, Nova Scotia Technical College, The University of New Brunswick.

2. In 1943, the University of British Columbia, 95; the University of Alberta, 55; the University of Saskatchewan, 63; the University of Manitoba, 46; the University of Toronto, 205; Queen's University, 118; McGill University, 99; Ecole Polytechnique de Montréal, 39; Laval University, 11; Nova Scotia Technical College, 28; The University of New Brunswick, 30.

In 1944, no information available.

3. 623.

4. 97.

5. 401.

6. 7.

WHEAT DELIVERIES—WESTERN DIVISION

Mr. PERLEY:

What is the total number of bushels of wheat of each of the standard grades delivered to the Canadian wheat board in the western division in, (a) crop year 1940-1941; (b) crop year 1941-1942; (c) crop year 1942-1943?

Mr. MacKINNON (Edmonton West):

Statutory grades delivered by producers—

(a) Crop Year 1940-1941	Bushels
No. 1 Hard	363,325-20
No. 1 Northern	213,675,719-20
No. 2 Northern	126,176,972-05
No. 3 Northern	30,679,056-10
No. 4 Northern	3,289,637-30
Other grades	21,170,811-55
	395,355,522-20

(b) Crop Year 1941-1942	Bushels
No. 1 Hard	1,334-10
No. 1 Northern	23,411,259-15
No. 2 Northern	41,073,310-10
No. 3 Northern	19,625,167-30
No. 4 Northern	1,452,214-45
Other grades	13,977,205-30
	99,540,491-20

(c) Crop Year 1942-1943	Bushels
No. 1 Hard	176-20
No. 1 Northern	12,723,085-30
No. 2 Northern	48,832,727-00
No. 3 Northern	63,505,527-55
No. 4 Northern	18,307,139-10
Other grades	24,137,875-50
	167,506,531-45

CANADIAN ARMY—MEDICAL CORPS, VALCARTIER CAMP—DR. J. N. FORTIN

Mr. LACOMBE:

1. Was Captain J. N. Fortin attached to the medical corps at Valcartier camp from January 30 to March 10, 1944?
2. Is Captain J. N. Fortin a physician or a chemist?
3. What were his duties during his stay at Valcartier camp?
4. Why did he leave Valcartier camp?

Mr. MACDONALD (Halifax):

1. Yes, from 20th September 1943 to 15th February 1944.

2. He is a physician, duly registered with the College of Physicians and Surgeons of the province of Quebec.

3. He performed the normal duties of a regimental medical officer.

4. He left Valcartier camp to proceed to duty at the army reception centre in Montreal.

CLARK-RUSE REPAIR PLANT, LAKEBURN, N.B.

Mr. EMMERSON:

1. Was there a lay-off of employees at the Clark-Ruse Limited repair plant at Lakeburn? If so, when?
2. How many men were laid off?
3. How many women were laid off?
4. Through what medium of selection for lay-off were the employees named?
5. Were maritime employees laid off and outsiders retained? If so, why?
6. What disposition has been made of those employees who were laid off?

Mr. MARTIN:

1. Yes. Started March 21, 1944; ended March 28, 1944.

2. 180 males.

3. 92 females.

4. 1st—Those on military deferment except key personnel
2nd—Seniority under collective labour agreement
3rd—Efficiency.

5. In some cases maritime employees were laid off and outsiders retained. The cases where this occurred were those where the outsiders were senior to the maritimers and protected in their seniority rights under the collective labour agreement; and those where skilled workers who were outsiders could not be laid off and replaced by maritimers because the maritimers laid off were not qualified by training or skill to take the place of these skilled workers.

6. Male employees—33 immediately called to the armed forces; 30 placed on local orders; 43 transferred to other aircraft plants in Ontario; 24 returned to their home territory (trainees who had been taken on, having just completed their course. These will, within a matter of a few weeks, be placed with Victory Aircraft, Malton, Ont.); 31 were refused permits outside agriculture (these returned to their farms); 19 returned to fishing.

Female employees—62 placed with Victory Aircraft, Malton, Ont; 9 placed on local orders; 1 returning to school teaching; 2 voluntarily enlisted W.R.C.N.S., Saint John, N.B.; 5 refused to take work and returned to homes vicinity of Moncton; 13 placed with Goodyear Rubber Company, Toronto.

MINISTERS OR MEMBERS TRAVELLING OUTSIDE CANADA

Mr. ROY:

1. Since 1936, did any ministers of the government or members of the House of Commons travel outside of Canada at the expense of the government?

2. If so, (a) what are their names; (b) at what dates, and on what occasions; (c) what were the duties or mission of each; (d) what was the amount of expenses incurred and paid for each of them?

Mr. McLARTY:

1. Yes.

2. All the information requested and which is available in the records of all departments of government in respect to the answer to this question has been published in the reports of the auditor general each year.

UNEMPLOYMENT INSURANCE—CONTRIBUTIONS BY INCOME CLASSES

Mr. ROSE:

1. Does the unemployment insurance commission compile monthly figures of the number of contributors or the proportion of total contributors to the unemployment insurance fund by income classes?

2. If so, what is the number or proportion of contributors for each month by income classes since the start of the unemployment insurance commission?

3. What are the results of question 2 for, (a) maritime provinces; (b) Quebec; (c) Ontario; (d) the prairie provinces; (e) British Columbia?

4. Are these figures available by industrial classifications?

5. What was the total number of contributors to the unemployment insurance fund by months since its inception?

Mr. MARTIN:

1. Yes.

2. See statement below.

3, 4 and 5. Not available.

Proportion of Contributors for Each Month by Contribution Classes from July 1941 to February 1944

Per cent of the total in each class

1941

Contribution Class Earnings per week	July %	Aug. %	Sept. %	Oct. %	Nov. %	Dec. %	Jan. %	Feb. %	Mar. %	Apr. %	May %	June %
0 Less than 90 cents a day or under 16 years of age	3·1	1·7	1·6	1·5	1·1	1·6	....	....	....	....	....	....
1 $5.40 to $7.50	3·6	2·3	2·0	2·0	1·6	1·5	....	....	....	....	....	....
2 $7.50 to $9.60	5·1	3·8	3·7	3·5	3·2	3·2	....	....	....	....	....	....
3 $9.60 to $12.00	7·2	6·0	6·0	5·8	6·0	5·5	....	....	....	....	....	....
4 $12.00 to $15.00	11·0	10·7	10·1	11·0	10·4	9·8	....	....	....	....	....	....
5 $15.00 to $20.00	17·9	19·0	18·5	18·9	18·6	17·6	....	....	....	....	....	....
6 $20.00 to $26.00	21·3	23·0	22·6	22·0	22·1	22·1	....	....	....	....	....	....
7 $26.00 or more	30·8	33·5	35·5	35·3	37·0	38·7	....	....	....	....	....	....
	100·0	100·0	100·0	100·0	100·0	100·0	....	....	....	....	....	....

1942

Contribution Class Earnings per week	Jan. %	Feb. %	Mar. %	Apr. %	May %	June %	July %	Aug. %	Sept. %	Oct. %	Nov. %	Dec. %
0 Less than 90 cents a day or under 16 years of age	1·3	1·3	1·2	1·3	1·2	1·1	1·5	2·1	1·9	1·5	1·3	1·2
1 $5.40 to $7.50	1·2	1·5	1·5	1·3	1·1	0·9	1·1	0·9	0·9	0·9	0·8	0·7
2 $7.50 to $9.60	2·8	3·0	2·9	3·1	2·5	1·9	2·2	2·2	2·0	2·0	1·8	1·4
3 $9.60 to $12.00	5·4	5·5	5·4	5·2	4·6	3·9	4·4	4·8	4·6	4·1	3·5	3·4
4 $12.00 to $15.00	10·9	10·0	10·0	10·3	9·3	9·8	9·1	7·9	8·9	8·1	8·1	7·5
5 $15.00 to $20.00	18·1	17·1	18·4	17·7	17·5	17·5	17·9	17·1	17·1	15·7	16·4	15·9
6 $20.00 to $26.00	21·9	21·0	21·3	21·0	20·6	21·6	21·9	21·2	20·1	20·5	21·2	20·4
7 $26.00 or more	38·4	40·6	39·3	40·1	43·2	43·3	41·9	43·8	44·5	47·2	46·9	49·5
	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0

Proportion of Contributors for Each Month by Contribution Classes from July 1941 to February 1944—
Concluded

Per cent of the total in each class

Contribution class Earnings per week	1943 Jan. %	Feb. %	Mar. %	Apr. %	May %	June %	July %	Aug. %	Sept. %	Oct. %	Nov. %	Dec. %	1944 Jan. %	Feb. %
0 Less than 90 cents a day or under 16 years of age	1·2	1·3	1·4	1·4	1·4	1·4	2·3	3·5	2·6	1·9	1·7	1·9	2·0	2·0
1 $ 5.40 to $ 7.50	0·7	0·6	0·7	0·9	0·7	0·5	0·7	0·6	0·7	0·6	0·4	0·7	0·5	0·6
2 $ 7.50 to $ 9.60	1·8	1·5	1·8	1·6	1·2	1·3	1·4	1·6	1·2	1·1	1·2	1·2	1·3	1·2
3 $ 9.60 to $12.00	4·0	3·1	3·9	5·2	2·9	3·0	2·9	3·9	2·8	2·6	2·8	2·6	2·9	2·7
4 $12.00 to $15.00	8·1	7·5	8·2	7·4	7·4	6·5	6·6	9·1	6·7	6·2	6·1	5·9	6·8	6·1
5 $15.00 to $20.00	15·8	16·4	15·8	14·9	15·0	14·8	14·3	6·7	13·6	13·3	13·1	13·1	13·0	12·8
6 $20.00 to $26.00	20·4	21·2	20·9	19·9	19·9	20·0	20·2	13·7	19·3	19·2	18·4	18·7	18·7	18·7
7 $26.00 or more	48·0	48·4	47·3	48·7	51·5	52·5	51·6	60·9	53·1	55·1	56·3	55·9	54·8	55·9
	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0

MOBILIZATION ACT—REJECTIONS—NUMBERS IN DIFFERENT CATEGORIES

Mr. WHITE:

1. What is the total number of persons in Canada who have been examined as to fitness for military service under military service regulations from September 1, 1939, to date?

2. How many persons so examined have been rejected as unfit for military service?

3. How many persons examined for medical rating have been placed in each category?

Mr. MARTIN:

1. The total number of persons in Canada who have been examined under mobilization regulations from the beginning of operations to February 29, 1944 is 1,014,498. This does not include men examined by army boards on applying for voluntary enlistment.

2. The number of persons so examined who have been found unfit for active service is 562,150.

3. The number of persons placed in each medical category is—A. Fit for front line combatant duty, i.e. active service, 452,348; B. Fit for ordinary general duty but not for full combatant duty, 123,364; C. Able to stand home service conditions, 130,316; D. Temporarily unfit, 23,415; E. Unsuitable for army service anywhere in any capacity, 285,055—Total 1,014,498.

CHRISTIE STREET HOSPITAL, TORONTO

Mr. BRUCE:

1. Have plans been completed for all the units of the new Christie street hospital to be built at Sunnybrook Park?

2. Have contracts been called?

3. When will contracts be let?

Mr. FOURNIER (Hull):

1. No, but well under way.

2. No, but expect tenders will be called for the grading and road diversion within three weeks.

3. This contract should be let within three weeks.

FUEL CONTROL—NEW BRUNSWICK—EXPORT OF FUEL WOOD TO MAINE

Mr. HATFIELD:

1. Has J. C. Veness been appointed fuel controller for the province of New Brunswick?

2. Was he asked to make a recommendation or a brief in regards to the export of fuelwood to the state of Maine during the season 1943-44?

3. If so, what plan did he recommend?

4. Was his plan put into operation by the fuel controller at Ottawa? If not, why not?

Mr. CHEVRIER:

1. Mr. J. C. Veness served as regional wood fuel officer for the maritime provinces from April 1, 1943, until March 31, 1944, on which date he returned to his former position with the Department of Mines and Resources.

2. The matter of the export of fuel wood to the state of Maine was receiving consideration by the fuel controller and in his capacity as regional wood fuel officer, Mr. Veness made certain proposals to the wood fuel controller.

3. His plan contemplated the issuance of permits for exports of fuel wood to the United States in proportion to the quantity of fuel wood placed on the Canadian market by each exporter.

4. The proposal was modified by the controller at Ottawa with the concurrence of the then acting regional wood fuel officer in favour of regulations which in all the circumstances met the situation more adequately.

AMMONIUM NITRATE

Mr. HATFIELD:

1. Since the beginning of the war, what amount of ammonium nitrate was produced in the following plants: Alberta Nitrogen Products Ltd., Consolidated Mining & Smelting Co., Ltd., St. Maurice Chemical Ltd., and Welland Chemical Works Ltd.?

2. Of this, how much was exported to the United States for use as commercial fertilizer?

3. What quantity of the production of each plant was sold in Canada as commercial fertilizer?

4. What was the price per ton of the ammonium nitrate exported to the United States?

5. What was the price per ton of the ammonium nitrate sold in Canada?

Mr. CHEVRIER:

1. No ammonium nitrate is produced by St. Maurice Chemicals Limited. The other three government-owned plants specified in the question produced a total of approximately 425,000 short tons to March 31, 1944. It is not considered in the public interest to state separately the production at each plant.

2. Approximately 130,000 short tons to March 31, 1944.

3. The total quantity sold in Canada was approximately 23,000 tons to March 31, 1944. It is not considered in the public interest to state separately the quantity shipped by each plant.

4. Prices in the United States vary according to destination and are within the ceiling price set by the U.S. Office of Price Administration.

5. The base price in Canada for ammonium nitrate sold as fertilizer containing 32½ per cent nitrogen is $49.85 per ton f.o.b. Toronto, Ont. When deliveries are made from plants in Western Canada, prices on the above basis are arranged to get the same delivered cost to the buyer.

MANUFACTURE AND IMPORT OF MOTOR VEHICLES

Mr. HANSELL:

How many automobiles were, (a) manufactured in Canada; (b) imported, for private use in the years 1940 to 1942?

Mr. MacKINNON (Edmonton West):

(a)

Year	Passenger Cars No.
1940	109,911
1941	96,603
1942	12,236

No passenger cars produced since June, 1942.

(b) No information.

SELECTIVE SERVICE EMPLOYEES

Mr. DIEFENBAKER:

What are the names, addresses and salaries of all officials and employees of national selective service receiving $3,000 and more per annum?

Mr. MARTIN: Names, addresses and salaries of all officials and employees of N.S.S., receiving $3,000 or more per annum:

Ball, Gordon, Lord Elgin Hotel, Ottawa, Ont.	$3,600
Buss, P., 20 Vine st., Thorold, Ont.	4,200
Caron, G., 1637 Sherbrooke st. W., Apt. 6, Montreal, Que.	3,000
Christie, Dr. H. H., Chelsea road, Quebec	5,000
Cowel, J. B., 2745 West 38th ave., Vancouver, B.C.	4,500
Crumb, Robt. Whitney, 111 Woodfield rd., Toronto, Ont.	3,600
David, E. V., 292 Strathmore blvd., Toronto, Ont.	3,600
Davidson, Lt.-Col. R., 394 Avenue road, Toronto, Ont.	3,600
Davis, R. J., 263 First ave., Ottawa, Ont.	3,600
Deas, Geo., 107 Bellwood ave., Toronto, Ont.	3,600
de Gaspe Tache, A., 365 Chester ave., Town of Mount Royal, Que.	4,500
Desaulniers, Dr. R., 3488 Laval ave., Montreal, Que.	3,600
Dupuis, Hector, 1461 Ste. Catherine st., Montreal, Que.	4,800
Eaton, Mrs. F., 275 Friel st., Ottawa, Ont.	4,800
Edwards, E. W., 303 Wolseley st., Port Arthur, Ont.	3,000
Paid by Dept. of Labour	1,449 96
English, Robert, 12510-106th ave., Edmonton, Alta	4,020
Farquharson, Dr. W. D., "E" McDonald Apt., Edmonton, Alta.	3,600
Goulet, Paul, 216 Metcalfe st., Apt. 4, Ottawa, Ont.	7,000
Grier, R. M., Miss, 236 Rideau terrace, Ottawa, Ont.	3,000
Harris, Arthur Balfour, 50 Gerrard st., London, Ont.	3,900
Haythorne, G. F., Rideau Park, Billings Bridge, Ont.	5,800
Henderson, R. K., 536 Vancouver ave., Nanaimo, B.C.	3,600
Henry, C. J., 130 MacLaren st., Apt. 34, Ottawa, Ont.	3,900
Hooper, J. P., 143 Euston st., Charlottetown, P.E.I.	3,600
Lamoureux, Dr. L., 1404 rue Fullum, Montreal, Que.	4,200
Martel, F. Mrs., 13 Ducharme ave., Montreal, Que.	3,000
Martin, Wm. A., 742 Waterloo st., London, Ont.	3,900
Mills, Dr. C. V., 1206 Ouelette ave., Windsor, Ont.	4,080
Mingo, Col. E., 44 Chestnut st., Halifax, N.S.	3,900
Mooney, Col. E. J., 167 Paradise row, Saint John, N.B.	3,900
MacGregor, Dr. R. R., 148 Earl st., Kingston, Ont.	3,900
McAllister, Dr. R., 410 McCallum Hill, Regina, Sask.	3,600
McDonell, L. G., 63 West St., Kingston, Ont.	3,900
McLaren, S. H., 333 Metcalfe st., Ottawa, Ont.	6,000
McLeod, J. W., Donkin, Cape Breton, N.S.	4,200
McNeil, Dr. N. M., 5689 Angus drive, Vancouver, B.C.	3,600
McPherson, Lt.-Col. C. D. Law Courts, Winnipeg, Man.	4,020
McRae, John Stanley, 902 McArthur bldg., Winnipeg, Man.	3,600
Needham, C. F., 93 Brule Gardens, Toronto, Ont.	6,000
O'Neill, A. E., 330 Metcalfe st., Ottawa, Ont.	3,600
Parry, Dr. G., 331 Bay st., Toronto, Ont.	4,200
Pennock, C. G., 1759 Haro st., Vancouver, B.C.	4,020
Pickersgill, T. B., 79 Victoria st., Eastview, Ont.	4,500
Rainville, Dr. R., 141 4ieme ave., Quebec, P.Q.	4,080
Ranger, Raymond, 17 Marlborough ave., Ottawa, Ont.	5,400
Ritchie, Geo. Wm., 250 Riverside Drive, Toronto, Ont	4,800
Robinson, C. C., Box 635, Stevesston, B.C.	3,000

Rodier, P. E., 1117 Ste. Catherine st. W., Montreal, Que.	4,020
Ross, Sheldon, 38 Marlborough ave., Ottawa, Ont.	4,800
Scott, Willard, 274 O'Connor st., Ottawa, Ont.	4,800
Thomas, J. D., 237 Laurier ave West, Ottawa, Ont.	4,200
Thomas, W. R., Suite 8, Frontenac apt., Winnipeg, Man.	3,000
Wadge, Herbert Wm., 148 Maryland st. W., Montreal, Que.	4,020
Westman, L. E., Chateau Laurier hotel, Ottawa, Ont.	6,000
Wilson, F. C., 2217 Argyle st., Regina, Sask.	4,020

FARM MACHINERY

Mr. DIEFENBAKER:

What is the value of, (a) farm machinery, including tractors and threshing machines; (b) parts thereof, sold in each province during each of the years 1938 to 1943 inclusive?

Mr. MACKINNON (Edmonton West):

(a) Sales of farm machinery including tractors and threshing machines by regions for the years 1938 to 1943 are shown below. Separate figures for each of the maritime provinces are not available. The sales figures shown are at wholesale prices to dealers or agents and do not represent the retail value to the farmer. Figures for 1943 are preliminary and subject to revision.

Sales of Farm Machinery and Equipment, 1938-1943

Province	1938 $	1939 $	1940 $	1941 $	1942 $	1943 $
CANADA	36,213,382	34,060,447	47,747,865	52,106,069	51,036,373	28,463,000
Maritime Provinces	934,115	1,083,168	1,429,793	1,711,141	1,645,026	1,006,756
Quebec	2,631,845	2,587,063	3,551,623	5,758,125	4,628,460	2,818,732
Ontario	7,786,267	7,619,798	10,797,674	14,287,475	14,001,194	6,356,542
Manitoba	7,465,625	4,773,413	5,559,753	5,909,118	6,590,032	3,413,637
Saskatchewan	7,812,638	8,379,797	15,136,891	12,923,707	12,567,504	7,716,447
Alberta	9,143,567	9,217,459	10,549,851	10,366,017	10,335,858	6,377,224
British Columbia	439,325	399,749	722,280	1,150,486	1,268,299	773,662

(b) Sales of Implement Parts for Ten Largest Companies—1940-1943
(f.o.b. Plant)

Province	1940 $	1941 $	1942 $	1943 $
CANADA	6,942,405	7,011,195	10,219,487	11,675,157
Maritime Provinces	203,916	249,154	307,023	331,637
Quebec	392,284	441,706	635,984	774,261
Ontario	1,311,902	1,402,677	1,739,515	2,038,158
Manitoba	790,682	938,612	1,356,313	1,487,342
Saskatchewan	2,481,613	2,284,190	3,544,561	4,052,142
Alberta	1,679,158	1,610,973	2,477,510	2,790,660
British Columbia	82,850	83,883	158,581	200,957

Note: Figures for years 1938 and 1939 not available.

TRANSFER OF EMPLOYEES FROM NOBEL TO VICTORY AIRCRAFT, MALTON

Mr. NOSEWORTHY:

1. How many employees have been transferred from Nobel to Victory Aircraft at Malton?
2. For how many of these were travelling and moving expenses paid, and by whom, and what amounts are involved?
3. How many of these have been assisted by the government in finding homes for their families in the vicinity of Victory Aircraft?
4. How many of those whose families have remained at Nobel are receiving assistance by way of bonuses for the extra expenses in living costs created by reason of the transfer?
5. What are the amounts of these bonuses?
6. Have any adjustments been made in rent by wartime housing for those families remaining in those houses at Nobel?

Mr. MARTIN:

1. 475 men and 46 women—total 521.

2. Train fare from Nobel, Ont., to Toronto, Ont., in each individual case amounted to

$5.15. This multiplied by 521 equals $2,683.15. The aforementioned amount was charged to Victory Aircraft. No other expenses were paid by either the government or the employer.

3. Employees were assisted in finding suitable locations for room and board by company officials, Y.W.C.A. and Y.M.C.A. and the housing registry. However, employees were fore-warned that a housing shortage existed in the Toronto area and were advised through a special agreement with wartime housing that they may leave their families at Nobel until such time as other suitable accommodations can be found for their families. No other action was taken on the part of N.S.S. or the government to assist these people in locating homes for their families.

4. Bonuses and supplementary living allowances are not being paid.

5. Nil.

6. No adjustments were made in the rental costs of the wartime houses in the Nobel village. The amount involved for small houses is $23 a month. For the larger two-story homes, of which there are few, $31 per month. Of 200 homes originally occupied by D.I.L. employees 146 have been vacated since the first of January, leaving a balance of 54 still occupied. Of this balance 27 are occupied by ex-employees' families and the other 27 by maintenance men and guards who are still with D.I.L.

R.C.A.F.—No. 7 EQUIPMENT DEPOT, WINNIPEG

Mr. KNOWLES:

1. What was the total number of civilian personnel employed at No. 7 equipment depot, R.C.A.F., Winnipeg, as at December 31, 1941; June 30, 1942; December 31, 1942; June 30, 1943, and December 31, 1943?

2. What is the total number so employed at the present time?

3. Of the above, how many were classified civil servants, and how many were unclassified personnel as at each of the above dates, and what are the figures for each of these groups at the present time?

4. Have any civilian personnel at No. 7 equipment depot been replaced by service personnel during the past twelve months? If so, how many, month by month?

Mr. MacMILLAN:

Date	Classified	Non Classified	Total
December 31, 1941	224	217	441
June 30, 1942	255	272	527
December 31, 1942	275	301	576
June 30, 1943	293	302	595
December 31, 1943	374	248	622
March 31, 1944....	385	178	563

4. None.

[Mr. Martin.]

GASOLINE

Mr. DIEFENBAKER:

How many gallons of gasoline were sold in Canada in each of the years 1938 to 1943 inclusive, (a) by retail; (b) by wholesale?

Mr. MacKINNON (Edmonton West):

*Sales of gasoline in Canada.

	Gallons
1938	762,592,300
1939	807,446,999
1940	883,158,020
1941	977,882,073
1942	896,871,545
1943	903,549,709

*Separate retail and wholesale data are not available. Exports are excluded.

PORT ELGIN, ONT., HARBOUR—DREDGING

Mr. NOSEWORTHY:

How much money was spent by the government on dredging, dock repairs and other harbour improvements on Port Elgin harbour in each of the years 1930 to 1940 inclusive?

Mr. FOURNIER (Hull):

Fiscal Year	Dredging	Construction & Improvements	Repairs
1929-30.....	$ 27.75	Nil	$ 1,428.70
1930-31.....	2,870.00	Nil	17,916.53
1931-32.....	Nil	Nil	529.79
1932-33.....	Nil	Nil	Nil
1933-34.....	Nil	Nil	Nil
1934-35.....	314.15	Nil	Nil
1935-36.....	1,398.55	Nil	Nil
1936-37.....	18,151.50	Nil	2,239.28
1937-38.....	4,238.44	$2,508.63	Nil
1938-39.....	Nil	Nil	2,511.22
1939-40.....	11,262.54	Nil	2,026.12
1940-41.....	Nil	Nil	Nil

QUESTIONS PASSED AS ORDERS FOR RETURNS

AIR TRAINING PLAN—SCHOOLS

Mr. HANSELL:

1. What is the estimated cost to date of the building and equipping of each of the air training schools in Canada under the Commonwealth air training plan?

2. What is the location and type of each school?

3. When was each school officially opened?

CANADIAN ARMY—HEADQUARTERS—OFFICERS IN M.G.O.'S BRANCH

Mr. ROSS (Souris):

1. Since the outbreak of war, how many officers with services with field units overseas have been appointed to the M.G.O.'s branch at N.D.H.Q.?

2. How many in this branch at the present time have had such experience?

3. What are the names in each case?

WAR MATERIALS, EQUIPMENT AND FOOD—PAYMENTS BY CANADA

Mr. LaCROIX (Quebec-Montmorency):

1. Is the government obliged to purchase from England the bombers of Canadian squadrons overseas?

2. Are the airplane engines built in England and not manufactured in Canada supplied to Canada on a gratuitous basis?

3. Are the British destroyers that have been added to the Canadian fleet coming under the British mutual assistance, or must Canada pay for them?

4. Is the Canadian army overseas supplied the necessary food free, or obliged to purchase same?

MOBILIZATION ACT—PROSECUTIONS OF DEFAULTERS

Mr. DIEFENBAKER:

1. How many prosecutions by provinces or military districts have been taken against defaulters under the National Resources Mobilization Act?

2. How many convictions have been registered?

PAYMENTS FOR LEGAL SERVICES

Mr. BLACK (Cumberland):

1. What payments have been made or authorized for legal services by the Department of Justice since the outbreak of the war to the following solicitors or their firms, stating the subject matter of the employment: Mr. R. M. Fielding, K.C., M.L.A., barrister, Halifax, Nova Scotia; Mr. J. E. Rutledge, K.C., M.L.A., barrister, Halifax, Nova Scotia; Mr. J. W. Godfrey, K.C., barrister, Halifax, Nova Scotia?

2. What additional accounts have been rendered by each and not yet paid?

3. What additional instructions have been given involving legal services to each?

Mr. ST. LAURENT: Return tabled.

NATIONAL HARBOURS BOARD

Mr. DORION:

1. Does the government or the national harbours board own cold storage plants in Canada? If so, where are they situated?

2. What is the value of each?

3. What salary rates are paid to the employees of such cold storage plants?

DEFENCE COMMUNICATIONS LIMITED

Mr. BLACK (Cumberland):

1. When was Defence Communications Limited organized by the government?

2. Who were appointed general manager, chief engineer, assistant chief engineer, and the executive officers?

3. What are their salaries, and what have been their expenses to date?

4. What expenses have been incurred by each of these executive officers and this organization at the Lord Nelson hotel, Halifax, Nova Scotia?

NATIONAL WAR SERVICES—NATIONALITIES BRANCH—PROFESSOR WATSON KIRKCONNELL

Mr. ROSE:

1. Is Professor Watson Kirkconnell, of McMaster university, a member of the nationalities branch, national war services?

2. If so, since when?

3. How much salary and how much expense money has he received as a member of this branch?

4. Has he ever been in the employ of any other government department?

5. If so, in what capacity?

UNEMPLOYMENT RELIEF

Mr. HANSELL:

1. What was the total amount of money spent by the federal, provincial and municipal governments for the purpose of relief during each of the years 1930 to 1940 inclusive?

2. What was the federal government's share of this expense in each of these years to each province?

3. Are the provinces considered to be in debt to the federal government for these advances?

4. If so, how much has each province paid, and how much is still owing by each province?

MOBILIZATION ACT—NUMBER CALLED UP, ETC.

Mr. DIEFENBAKER:

1. How many men in each administrative district have been called up for medical examination under the National Resources Mobilization Act from the commencement of the act to January 31, 1944?

2. Of these, how many have been found physically fit?

3. Of those found physically fit, how many are now members of the armed forces, (a) for service anywhere; (b) for service in Canada only?

CANADIAN VICKERS LTD.—CANADIAN BAYER COMPANY

Mr. COLDWELL:

1. Has the government made inquiry into the ownership of Canadian Vickers Limited, together with alleged associations of Losanac Limited, as recorded at page 1920, *Hansard*, March 28, 1944?

2. Has the Minister of National Revenue inquired into tax evasion practices alleged to be followed by Canadian Bayer Company, as directed by I. G. Farbenindustrie and Sterling Limited, as reported by subcommittee on war mobilization, of the committee on military affairs, of the United States senate, referred to at page 1920 *Hansard*, March 28, 1944?

Mr. COLDWELL: May I suggest that part one of this question was answered by the Minister of Munitions and Supply on March 31, as appears on page 2048 of *Hansard;* therefore it need not be included in the return.

MOTIONS FOR PAPERS

COLUMBIA RIVER WATERSHED

Mr. COLDWELL:

For a copy of all letters, telegrams and other correspondence between the federal government, the government of the United States, the province of British Columbia and any electric power interests, together with any reports by or references to the international joint commission, on matters concerning the Columbia watershed and those tributary thereto, from January 1, 1940, to date.

UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION—RESOLUTIONS OF ATLANTIC CITY MEETING

Mr. QUELCH:

For a copy of the resolution passed by the united nations relief and rehabilitation administration at Atlantic city in December, 1943.

PURCHASES OF PROPERTIES IN PRAIRIE PROVINCES

Mr. DIEFENBAKER:

For a statement showing location of and price paid for all properties purchased by any department of government in the provinces of Manitoba, Saskatchewan and Alberta during each of the years 1941, 1942 and 1943.

HYDE PARK DECLARATION

PRESS REPORTS AS TO SUSPENSION

On the orders of the day:

Mr. GORDON GRAYDON (Leader of the Opposition): Press dispatches during the Easter recess have indicated that the government is preparing to issue a statement announcing the suspension of the Hyde Park agreement, which was entered into between Canada and the United States earlier in the war. I should be glad if the Prime Minister will inform the house whether or not this agreement is to be suspended, altered or revoked, and at the same time inform the house of the reasons behind such a move.

Right Hon. W. L. MACKENZIE KING (Prime Minister): As my hon. friend perhaps is aware, the Minister of Finance (Mr. Ilsley) at the present time is absent from Ottawa in connection with business related to the forthcoming victory loan. I should like to consult with him before making any statement on this matter. As soon as the minister returns I shall see that the house is informed of the situation.

CONFERENCE WITH PROVINCES

INQUIRY AS TO PROBABLE DATE

On the orders of the day:

Mr. GORDON GRAYDON (Leader of the Opposition): Is the Prime Minister yet in a position to announce the date of the proposed dominion-provincial conference?

[Mr. Coldwell.]

Right Hon. W. L. MACKENZIE KING (Prime Minister): No doubt my hon. friend has read the return which was tabled shortly before the recess, in which was included the correspondence between the federal government and the governments of the provinces with respect to the dominion-provincial conference and the efforts being made to find a date that will be generally convenient. From that correspondence it is apparent that the task has not thus far been too easy. Up to the present the government has not been able to fix a definite date.

Mr. GRAYDON: May I suggest to the Prime Minister the fact that there are prospects of three provincial elections being held may be a factor in delaying the calling of the conference? Would that in any way be a factor?

Mr. MACKENZIE KING: My hon. friend evidently has more knowledge about the prospects of elections than I have. I cannot tell him whether there are to be any or not, but I do know that, at the present time, representatives, I think, of the treasury departments of all the provinces but one are working on preparatory material for the dominion-provincial conference. Though no date has been fixed I hope it will not be felt that any time is being lost in getting together in advance as much information as possible, so that when the conference does take place all governments may be supplied with the material which will be required in carrying on discussions.

Mr. GRAYDON: I thank the Prime Minister for his compliment in suggesting that I may know more than he does with respect to elections. Of course, that would obviously be impossible. I heard the suggestion made that the delay may have been occasioned by the fact that the government here felt it possible that there would be three changes in governments when those elections took place.

POST-WAR CIVIL AVIATION

CANADIAN REPRESENTATION AT LONDON CONFERENCE

On the orders of the day:

Mr. GORDON GRAYDON (Leader of the Opposition): During the Easter recess newspaper reports indicated that Lord Beaverbrook, Britain's cabinet minister in charge of aviation, and Adolf Berle, the State Department's assistant secretary, together with seven other United States and British aviation experts, conferred in London with respect to post-war civil aviation. Was Canada invited to this conference, and, if so, who represented us? If Canada was not represented, has this govern-

ment been advised as to the conclusions and decisions reached at the conference? If this government has been so advised, will the minister give a statement to the house in regard to the matter.

Hon. C. D. HOWE (Minister of Munitions and Supply): The conference referred to between Mr. Berle and Lord Beaverbrook was one of a series of bilateral conferences that are being held on this subject. In the conference between Canada and the United States, the United States was represented by Mr. Berle and Mr. Warner, and Canada was represented by myself, Mr. Robertson and Mr. Symington. The Canadian conference was held prior to the London conference. We were not invited to the London conference, of course since it was a bilateral conference, as was ours. We did not invite Britain to our conference and naturally Britain did not invite us to theirs, but there has been a full exchange of information. A statement of the subject matter of both the Canadian and British discussions has been published in the press. I believe there is nothing that can be added usefully at this time.

Mr. GRAYDON: What I read in the papers was not a very comprehensive report of the discussions. I had hoped that I might be able to elicit something further from the government with respect to the matter.

HOUSING

EVICTIONS ON MAY 1 NEXT

On the orders of the day:

Mr. GORDON GRAYDON (Leader of the Opposition): Has the Parliamentary Assistant to the Minister of Finance anything to add to the statement he made to the house on March 27 in connection with the present acute rental situation?

Mr. D. C. ABBOTT (Parliamentary Assistant to the Minister of Finance): No, I have nothing further to add.

Mr. GRAYDON: Has the parliamentary assistant anything to add as to the possibility of the government doing something in connection with temporary housing for these people?

Mr. MACKENZIE (Vancouver Centre): Order.

Mr. ABBOTT: I have no statement to make on that at the moment.

Mr. GRAYDON: Does that mean the government has no policy with respect to that?

Some hon. MEMBERS: Order.

Mr. GRAYDON: Mr. Speaker, I still have some rights in the House of Commons, and I have always found that you have protected me in that regard. Surely I have the right to ask a supplementary question of the parliamentary assistant without a general harangue of "order" from all parts across the way. I think, Mr. Speaker, that there will have to be an end to that sort of thing, because the questions I have asked are an accumulation built up during the Easter recess, and we desire information on them. I do not think I have overstepped the mark in that regard. I have asked a civil question of the parliamentary assistant and I have a right to have it answered.

Mr. ABBOTT: I thought I gave an answer; I said I had no statement to make in answer to my hon. friend.

Mr. GRAYDON: I could not hear the hon. gentleman because of the number of people who were calling "order" at the same time.

Mr. FRED ROSE (Cartier): I should like to ask the parliamentary assistant to the Minister of Finance if any negotiations are under way with the Montreal city council regarding the acute housing situation facing the people of that city on May 1.

Mr. ABBOTT: As far as I am aware there have been no negotiations between the city council of Montreal and the federal government.

Mr. LOCKHART: Since we are talking about housing, hon. members have been supplied with copies of the five or six reports on reconstruction but as yet we have not received the report on housing. I understand that such a report has been prepared. Why has it not been supplied to us along with the others? Perhaps some member of the government could answer that question and tell us when we may expect it.

Mr. BROOKE CLAXTON (Parliamentary Assistant to the President of the Privy Council): I understand the report is in the hands of the printer and will be printed just as soon as facilities are available to turn it out.

FISHERIES

PRAIRIE PROVINCES—PRODUCTION, MARKETING AND RETURNS

On the orders of the day:

Hon. ERNEST BERTRAND (Minister of Fisheries): If the house will bear with me for a few moments I should like to make a short statement on a question of interest to the prairie provinces. Following special investigations made last summer into questions

connected with the marketing of prairie province fish, which have an important place in our export trade with the United States and in interprovincial trade, a conference was held in Ottawa last week to consider what action might best be taken to maintain and improve the quality of fish production in these provinces, to increase the handling and marketing efficiency, and thus to increase the return to the fishermen. I had the privilege of presiding over the conference, which was attended by Hon. Mr. McDiarmid, minister of mines and natural resources of Manitoba, which department is concerned with fisheries matters; Hon. Mr. Kerr, who is the Saskatchewan minister of natural resources, and other fisheries advisers from all three of the provinces, as well as by officials of my department and of several other federal services. Hon. Mr. Tanner, the Alberta minister of lands and mines, had expected to be present but later found it impossible to be in Ottawa at the time. He was represented by Mr. E. S. Huestis and Doctor Miller.

Briefly, the conference decided that for the present attention should be given particularly to whitefish production and marketing, and three major steps were unanimously agreed upon. First, the provinces will make surveys of their whitefish-producing waters, under the guidance of the federal fisheries research board; second, the board will undertake a programme of fresh water fisheries research; third, machinery will be set up, by my department and the provinces jointly, under which all whitefish intended for shipment out of any of these provinces will be subject to inspection.

The conference was assured by the provinces that the lake surveys will be started this summer. As for research, I expect in the next few days to be able to announce the appointment of a highly competent chief biologist. The research programme in the provinces thereafter will be developed as quickly as may be efficiently possible. In connection with this, though I do not mean that this particular step can be undertaken at once, we intend to establish in the prairie provinces a permanent fisheries research station, broadly similar to stations such as the research board now operates on the two coasts.

CARTELS

INQUIRY AS TO DEALINGS BETWEEN BRITISH, AMERICANS AND GERMANS

On the orders of the day:

Mr. J. SASSEVILLE ROY (Gaspe): A dispatch from London to the Canadian press, dated April 5, quotes a Russian magazine which accuses British and American cartels of continuing to deal with German cartels under certain agreements, operating through Switzerland. Is the Prime Minister prepared to make a statement on this very grave accusation?

Right Hon. W. L. MACKENZIE KING (Prime Minister): My hon. friend has asked me a very large question, dealing with international affairs and concerning, as I understand it, Russia, Britain, Germany and Switzerland in relation to cartels. Not only should I want time to prepare an answer; I should want a great deal of time, and I am not sure that even then I could give an answer. The hon. gentleman has referred to an accusation or an assumption, and whether it is the one or the other I cannot say.

RECONSTRUCTION

ESTABLISHMENT OF DEPARTMENT TO FORMULATE AND CARRY OUT RECONSTRUCTION PLANS

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to establish a Department of Reconstruction with authority to formulate and coordinate reconstruction plans and carry out such plans during a certain number of years following the cessation of hostilities to provide for the employment of officers, clerks and servants necessary for the proper conduct of the department; and to provide for the proper and efficient administration of the act.

Mr. GRAYDON: I take it that either now or after we have gone into committee on the resolution the Prime Minister will make a statement with respect to this matter.

Mr. MACKENZIE KING: Yes.

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

Mr. MACKENZIE KING: As I indicated on the eve of the recess, Mr. Chairman, the government is bringing forward the different resolutions appearing on the order paper to-day to enable the bills based upon these resolutions to be brought before hon. members at the earliest moment possible. I hope it will suit the convenience of the house to have the discussion on these matters of social legislation take place on the bills rather than on the resolutions. Unless we agree to that I am afraid a great deal of the time of parliament will be taken up in discussion which will be duplicated when we are on the bills, and this at a time when it is necessary to make as much headway as possible unless the session is to be very greatly prolonged. The

bills with respect to most of the resolutions have been prepared and could be introduced as soon as the resolutions are carried.

The resolution now before the committee relates to one of three measures mentioned in the speech from the throne, each having to do with the broad field of post-war planning. Hon. members will recall that the speech from the throne mentioned that it was intended to establish the following departments of government:

(1) A department of veterans' affairs to have charge of the rehabilitation and reestablishment of members of the armed forces, and the administration of veterans' pensions and allowances;
(2) A department of reconstruction to promote and coordinate planning for national development and post-war employment; and
(3) A department of social welfare to organize and to assist in administering activities of the federal government in the fields of health and social insurance.

The resolutions on the order paper immediately following the one now before the committee relate to the departments of veteran's affairs and social welfare. If the resolution respecting the department of reconstruction is carried and the bill introduced, the next order will be the resolution relating to the department of veterans' affairs. I do not think it would be advisable to proceed at present with the third resolution, respecting the department of social welfare. We should, I think, wait for the further reports of the special committee on social security, since matters may come from that committee which it might be desirable to have incorporated in the bill. The necessity of establishing a department of reconstruction is, I believe, self-evident. I imagine that there is no difference of view as to that—as between any of the parties in this House of Commons.

As an illustration of the need for this department of government I might mention briefly two or three essential considerations. The problem of reconstruction will involve the re-employment of nearly two million Canadians now in the armed forces, the merchant navy or war industry. Employment must be productive and must contribute to a rising standard of living. The great industrial plant created for war purposes must be transformed to meet peace time demands in Canada or abroad. Markets must be found and retained for our greatly increased food production unless we are not to face an agricultural depression. Railways, highways and other capital equipment which has suffered the strain of war must be repaired. Civilian aviation and other new means of transport and communication must be developed. Public works and conservation and developmental projects will be required, particularly while private industries are being converted to peace time operations. New housing, both urban and rural, improvements to existing housing and community planning can contribute at once to the volume of employment and the improvement of the standard of living.

These are merely a few of the directions in which reconstruction planning requires to be carried on. Obviously most, if not all, of these functions relate specifically to some existing department of government. A question naturally arises as to why, if that is so, the planning should not be left to each separate department? It will be, I think, obvious that if the government were to proceed in that way there would be the possibility of much duplication and there would not be the opportunity for the coordination of post-war planning which is essential. Moreover, the problem is so large and at the end of hostilities it will be so urgent, that some special agency is necessary to see that plans are made and action is being taken in all the varied fields in which action will be required if we are to achieve and maintain the full employment and full production which are essential to secure the prosperity and welfare of our people.

The bill which will be based upon this resolution, what it sets forth of the method of proceeding with regard to industrial reconstruction, provides for action similar to that which has been taken in the United Kingdom. There, as hon. members know, Lord Woolton has been selected as minister of reconstruction. Lord Woolton has not a department of government of his own, rather he presides at meetings of his colleagues representing other departments of government. Along with the experts by whom he is surrounded, he meets with these ministers and brings forward plans of reconstruction, obtains information from the different departments of government as to the projects that are already being proceeded with, and makes suggestions as to methods by which existing and other plans can best be furthered and developed.

In Canada, we propose to have, in addition to a minister, a department of reconstruction, in order that there may be, so far as this country is concerned, the necessary machinery of government to effect the coordination that will have to take place, not only between the departments of government at Ottawa but also between the dominion government and the several provincial governments as well as municipalities in the provinces. The intention is to make provision for a minister of reconstruction, a deputy minister, and such staff as may be needed to carry on the work.

Mr. GRAYDON: No parliamentary assistant?

Mr. MACKENZIE KING: It will be necessary to have a parliamentary assistant. I think this is one case where a parliamentary assistant will be of great assistance to the minister and to hon. members of the house. I would say that most certainly there will be a parliamentary assistant.

Perhaps I could indicate, by reading from a section or two of the bill, which will later be introduced if the resolution is carried, the scope of the work for which the minister will be responsible. The interpretation section defines what is meant by "reconstruction," and I shall read that section because it gives the comprehensive picture which I think hon. members will wish to have. It reads:

"Reconstruction" means the reestablishment in civil life and reemployment on demobilization of the men and women of the armed services, reestablishment of persons released from war industries, and the reorganization of industry, in order to provide maximum production and full employment during and following the change over from war time production of industry to peace time production, and includes every undertaking by dominion, provincial or municipal authority or by any corporation or other person which may contribute to such reorganization.

Industry is defined in the following comprehensive terms:

"Industry" includes merchandising, manufacturing, trading, engineering, construction or building operations, the operation of public utilities, transportation and the production of all natural products including the products of farms, forests, mines and fisheries and also any other undertaking by any person including His Majesty in right of Canada or of any province involving the employment of persons during reconstruction.

It is not the intention under this legislation to appoint as minister, for the present at least, anyone from outside the present membership of the cabinet. It is intended that one of the members of the present administration will be appointed minister of reconstruction and will have that responsibility. The reasons for this will be quite clear. It is obvious that the minister who is to be in charge of reconstruction should be a member of the government who is already familiar with the work of the administration. Equally important, he should be one who knows his colleagues intimately, that he will be in a position to confer readily with the ministers of all departments in a manner which will best serve to gain their full cooperation in carrying out the government's policies with respect to reconstruction.

I should like to read what Lord Woolton had to say in the House of Lords in describing his functions. Under the proposed legislation the Canadian minister of reconstruction will have functions which are very similar. The wisdom of following a similar course will be admitted when hon. members hear what Lord Woolton has said. Speaking in the House of Lords on December 8 last, Lord Woolton gave the following indication of the scope of his functions:

The preparation of plans, the primary responsibility for formulating the plans rests with the ministers in charge of the departments. These plans of reconstruction are not going to be carried out by me. They are going to be carried out by a number of ministers and government departments. The primary responsibility for executing them, must continue to rest with the departments concerned, working under the direction of their ministerial chiefs. That is why there is not going to be any ministry of reconstruction. There is going to be no minister of reconstruction with a large staff attached to it. What I have to try to do is to see the reconstruction plan as a whole, to lay out the various parts which have to be worked out by the departments, to bring the plans of the various departments in relation with one another and to make sure that there are no gaps, no overlapping, no conflict.

The responsibility therefore of the minister of reconstruction is quite clearly defined. It is his business, with his colleagues, to see that all these plans come into one orderly whole and that nothing is left undone by his colleagues that ought in the opinion of the war cabinet to be done.

In our case it will not be the war cabinet, it will be the full cabinet.

In doing so I shall be helped by a very strong committee of the war cabinet.

In the procedure that we intend to follow, the minister will be assisted by a committee of the cabinet which will be formed subsequently. The names of its members are not set forth in the proposed legislation.

I have received the following additional information about Lord Woolton's functions through the Canadian high commissioner in London, with whom I communicated some time ago:

He has, of course, to keep in touch with a numerous body of committees, both governmental and extra-governmental, who are concerned with the problems of reconstruction. He has to be in continual consultation with his colleagues in the government, and to deal with the innumerable private interests involved in any far-reaching scheme of national planning. Not the least difficult part of his task is that he must induce the various government departments involved in any one aspect of reconstruction to maintain the same tempo in their planning and execution of reconstruction policies, so that no one part of a given scheme lags behind the other.

In this work, he is assisted by a very small staff of four specialists, in addition to his secretaries and personal assistants.

The staff contemplated for the Department of Reconstruction is a deputy minister, and

such other officers, technical assistants, clerks and employees as are necessary for the proper conduct of the business of the department.

I think I have sufficiently indicated the functions of the minister. His powers will extend to the right to institute inquiries, to require return of information, to consult with representatives of producers, industry, science and labour, to establish committees and inaugurate conferences. The minister will also be obliged to submit an annual report to parliament. Provision is also made for the transferring of civil servants from other departments, and equally there is the power to transfer certain branches of departments, if that be thought advisable, to carry out some of the work that may have to be undertaken by the new department.

Mr. GRAYDON: If I may be permitted a question at this point, the new department as envisaged from the statement of the Prime Minister will differ from other departments of government because it will have a sort of supervisory character and give directives to other departments. Is that the principle that is followed under Lord Woolton's plan?

Mr. MACKENZIE KING: The principle is the same. As to giving directives, I am not just sure that that is the word I would use. My hon. friend will recognize at once that all government departments are pretty sensitive about their own prerogatives.

Mr. GRAYDON: That is what I was thinking.

Mr. MACKENZIE KING: That is one of the reasons why it is thought advisable, in the early stages at all events, to entrust the position of Minister of the Department of Reconstruction to a member of the government who is already known to be persona grata to his colleagues, as all members of the present government certainly are.

Mr. GRAYDON: Would it not mean that the new minister would have some superpower over and above that of the ordinary cabinet minister if the present proposal is carried out?

Mr. MACKENZIE KING: No. Decision on policy will rest, as it does in all matters, with the cabinet as a whole. The directions that will be given to other departments, if there are directions—I would prefer to say the procedure expected to be adopted—will be given by decision of the cabinet as a whole. Matters will be discussed in council and ministers informed as a result of a round-table discussion of what will be expected of them in their respective departments. The minister will probably also have plans of his own which he may wish to submit, involving, for particular purposes, the expenditure of public money. Just under which particular department work of the kind would be carried out would depend on the decision that would be reached by the cabinet. All moneys will necessarily be appropriated by parliament. There are in the civil estimates expenditures for public works and other basic services, many of which will fit into a scheme of reconstruction. There are also in the war appropriation estimates, items for many projects that will relate themselves to the work of reconstruction, and the minister himself may bring forward to parliament a bill to appropriate money for reconstruction purposes, a bill similar in form to the war appropriation bill of to-day, or he may seek to have necessary expenditures provided by supplementary estimates. Hon. members will realize that certain projects in connection with the work of reconstruction will necessarily run over a term of years before being finally completed.

Mr. GRAYDON: Such a bill would be different from the war appropriation bill, for which the Minister of Finance is responsible?

Mr. MACKENZIE KING: There would be amounts placed in the estimates for the projects for which it was desired to have public funds appropriated, or a bill for the sums needed for reconstruction might be introduced. By either method the necessary amounts would be asked for from the house, so that there would be opportunity for members of parliament to discuss the projects fully on the floor of the house.

As I have said, some of the projects may run over a term of years. For such projects it may not be possible to limit the required amount to one specific fiscal year. There would have to be some leeway in the matter of expenditures. For the present, until at least we get into the period after an armistice, I do not think that much will be required in the way of expenditures; but certainly expenditures, if they are to be effective and we are to see to it that when our men return from the front there will be no lack of employment, will have to be thought out with a great deal of care.

Mr. HANSON (York-Sunbury): I desire to ask a few questions of the Prime Minister in connection with this matter.

Mr. MACKENZIE KING: May I add one sentence as to the duration of the measure. It is proposed that the duration of this measure will be for four years after the end of hostilities between Canada and Germany and also Japan; that is, four years from the end of the session that we may be in at the time that hostilities cease.

Mr. HANSON (York-Sunbury): That last statement of the Prime Minister's is I think rather a vain hope. My experience in connection with government and departmental matters is that once we establish these bureaux they strive valiantly to live, and it is pretty difficult to extinguish them or extinguish a department. Other ministers have tried it in the past, and they have run up against a stone wall. However, bureaucracy was ever thus.

What I desire to say to the Prime Minister is this. I am left rather confused because in the earlier part of his remarks he stated, as I interpreted his remarks, that this new minister would have no administrative functions. To use the words of my colleague the leader of the opposition, it was largely consultative and directive. Now, I understand, that is not to be the case, but this department is to ask parliament for an appropriation for schemes of reconstruction to provide employment. Are these schemes to be carried out under the aegis of this proposed department, or are they to be carried under departments already established, such as public works and pensions and national health? I think we need some clarification of that point.

I wonder whether the Prime Minister heard the broadcast over the C.B.C. on Sunday morning. Perhaps he was at church. Air Marshal Bishop, V.C., made a speech in New York, I believe on Saturday night, to some military or veterans' organization.

Mr. MACKENZIE (Vancouver Centre): A United States branch of the Canadian Legion.

Mr. HANSON (York-Sunbury): The New York branch of the Canadian Legion. He deprecated so much attention being paid to the post-war period and to blueprints for post-war reconstruction, when this war is not yet won. He advanced a theory which I have advanced in this chamber on many occasions, and which I reaffirm to-day. The primary and fundamental duty of parliament, the government, and of every one of us is to keep an eye on the ball, and to win the war before we start to revolutionize the world. I hope that hon. members will pause and consider the underlying theory which I am trying to state. As I look over the war fronts and visualize what may take place almost immediately, I say that this nation requires to concentrate its courage, its industry and its every thought upon what is about to happen in the summer of 1944. Anyone who thinks that the war is over is living in a fool's paradise. Anyone who believes that victory is in sight ought to have his head examined. The longest and the hardest pull on the part of the united nations is still ahead, and the people of Canada are being lulled to sleep by too much talk about post-war rehabilitation and reconstruction. I am all for post-war rehabilitation of the armed forces, but is it not our immediate duty as members of this house, and particularly is it not the duty of the government of the day—I am sure the Prime Minister will agree with this—to insist that the main and fundamental objective of parliament at this time is to concentrate on the winning of the war? I do not mean that we should obliterate from our minds all thoughts about the post-war period; of course we must think about it. But the setting up of a ministry merely for the purpose of consultation, and without any administrative functions, if I correctly interpret the Prime Minister's statement, is not going to carry us very far. I would ask the Prime Minister to clarify this matter a little more, because, I confess, my mind has been left confused, and I think the mind of the country will be confused, as to just what the functions of this new ministry are to be. It will be established at considerable expense. We are to have a minister and all the paraphernalia and the bureaucracy which go with the minister, and the staff will grow—make no mistake about that. We are to have a parliamentary assistant, another fifth wheel of the coach, and the first thing we know we shall have a huge structure without any administrative functions. I believe the people of Canada are looking for something more than that. It seems to me that the formation of a ministry without administrative functions is premature. I leave that thought with the Prime Minister.

Mr. MACKENZIE KING: May I answer my hon. friend at once. To-day the departments of government are carrying on different kinds of work, all of which will relate also to work in the future. The question which the administration had to ask itself in framing this legislation was, first of all, shall we make as much use as possible of existing departments, and seek in that way not only to avoid unnecessary waste and expense, but to get the benefit of the experience of expert administration, or shall we create a new department which will duplicate what is being done in other departments of government? I cannot think of any single branch of reconstruction which would of itself necessitate the creation of a new department of government. Viewed collectively, all branches of national work are, I think, one way or another included in the existing departments of government.

Mr. HANSON (York-Sunbury): True.

Mr. MACKENZIE KING: My hon. friend has mentioned public works; there are also mines and resources and trade and commerce;

and at the present time the Housing Act is being administered by the finance department. One might run through the entire list of departments. He would discover that somewhere in one or the other will be found a branch of government which could appropriately administer any conceivable reconstruction projects. But it must be equally obvious that to allow departments of government each separately and individually to make plans and carry them out without any form of consultation to effect the coordination of effort, or to prepare plans without first having a general scheme of reconstruction carefully thought out, and accepted, would be to ignore what will be exceedingly important in the period of reconstruction. Perhaps I might indicate the minister's functions by quoting from the clause of the bill which mentions his duties:

4. The minister shall prepare, formulate and coordinate plans and projects for reconstruction, and, with the authorization of the governor in council, provide for the carrying out thereof.

5. It shall be the duty of the minister:

(a) to inform himself fully of the needs for new employment of the men and women in the armed forces and in industry and the opportunities that will be available to meet those needs as men and women are demobilized from the armed forces and as war production declines;

(b) to coordinate the actions of other departments and agencies of the government of Canada for the purpose of ensuring that the transition from a wartime to a peacetime economy shall be effected as quickly and as smoothly as possible;

(c) to formulate plans for industrial development and conversion, public works and improvements, housing and community planning, research and the conservation and development of natural resources, and with the authorization of the governor in council, to provide for carrying out such plans;

(d) to correlate information relating to plans for reconstruction.

I cannot imagine that there will be any difference of view on the part of hon. members, first, as to the wisdom of having as much of the work of reconstruction carried out as may be possible, by departments already established, and second, as to the wisdom of having some agency which will be responsible for the proper co-ordination or integration of all reconstruction work to be carried on, and responsible to this House of Commons for what is being done in that way.

As to my hon. friend's other remark, he is quite right when he says that I feel very strongly, as he does, that all of us must keep our minds concentrated, that we cannot keep them too much concentrated, on the war and on the necessity of winning the war. Very few people, I believe, appreciate how very heavy is the task that lies ahead before victory is achieved. I would be the last to ask parliament to consider any measure at this stage if I felt that it was going to have the effect of taking the minds either of members of parliament or of the people away from the war effort as the first of all our national obligations. I realize, however, as hon. members will, that we owe everything to the men who are fighting at the front, and among our obligations one of the greatest, I think, is to give those men, in the fullest measure possible, the assurance that we are thinking of them while they are fighting our battles and that we are making provision for them when they return, which will help to ensure better conditions than they have hitherto known.

Nothing would more discourage the fighting forces of the country than the thought that this parliament did not have them and their future continually in mind. I appreciate the stress which my hon. friend lays upon the importance of not allowing discussions in this parliament even to assume an emphasis, with respect to post-war matters, which would cause anyone to believe that the war is going to be over soon; and that we can take it for granted that there is not a long and arduous road to be traversed before some of these projects can begin to be put into effect. But our duty, as I see it, is not to delay in the endeavour to make our plans as complete as possible, and to get under way whatever measures we can that will help to give that assurance to those who will be seeking above all else steady employment when they return to this country, and as well new employment, not only for those in the armed forces, but for workers in industry who, during the period of war, have lost or been transferred from their former fields of activity and will have to enter upon new occupations once we return to the days of peace.

Mr. POULIOT: We must come to an understanding about this proposal. The hon. member for York-Sunbury (Mr. Hanson) and the Prime Minister (Mr. Mackenzie King) spoke very well about the soldiers and what is to be done for them. But they are not to be fed with words. Soldiers are realists. Once over the Columbia Broadcasting System network I heard a soldier who was returning from somewhere in the South sea islands making this statement: We are not interested at all in what we may have later on after the war; we want to know what the government is ready to do now for us. He was an American speaking to Americans.

We have heard a good deal about a new order. Will the foundations of the new order be the same as those of the old order? That

is one point. It is impossible to satisfy the minds, the legitimate desires, of those in the army by telling them of future happiness when there is nothing to give them when they come home right now. I shall have a good deal to say about the resolution concerning the new department of pensions. Now, sir, what is the idea of this department? It will not be an administrative department. The minister will be a kind of liaison officer between heads of departments. The Prime Minister said that this minister will be naturally a member of the cabinet who is familiar with his colleagues, who will speak to them about what they should do with regard to so-called reconstruction.

All the members of the cabinet meet in the council room. Why, therefore, should they need a liaison officer? Why should there be a minister acting as a liaison officer when he is on good terms already with all the ministers and may speak to them about reconstruction? I presume all ministers are on speaking terms. Therefore, why should they not speak to each other about their own problems?

My idea of the cabinet is that the ministers meet together to discuss their own problems and that they accept the decision of the majority of themselves. Why should there be a minister who is just a messenger of council, who goes to the Minister of Mines and Resources (Mr. Crerar) and says, "My dear colleague, why do you not do so-and-so for the miners", and then goes to the genial Minister of Fisheries and says, "I have here a problem for you to consider in regard to the fishermen". And then take the farmers. No minister would speak to the Minister of Agriculture (Mr. Gardiner) except the liaison minister, who would go to him and say, "My dear Jimmie, I think you should do so-and-so for the farmers; is it not a good thing for you to do for them?" And he will do that on the suggestion of experts, brain-trust men.

Have we not enough plans now? We are submerged by plans that come from every part of the country. There is not a board of trade, not a chamber of commerce, not a municipal council, not an organization or society in this country that is not planning something for reconstruction after the war. Is it possible to apply all these plans? A selection will have to be made and the selection should be made by the ministers in council, not by one man but by all of them together, subject to the majority of themselves. That is my idea of government.

Why should the government delegate its authority to one minister who will be spokesman, to speak to each one of them? That is the destruction of the principle of government as it has been established in England, a principle which has functioned so well for so long a time. Of course, we have heralds who speak over the radio. I do not know whether they speak officially, but they speak over the radio and announce policy. They announce policy before we know it in the House of Commons.

My great fear is the fear of bureaucracy. As was said in the *Quarterly Review* of the university of Toronto by Professor MacGregor Dawson in the spring of 1941—he is a sensible man although he is in the university of Toronto—we are facing a crisis of authority. No one is ready to take responsibility for what is being done. It is the old story of the little boy who breaks the window. You ask him who did it and he says: "It was my little friend." "Who is that little friend?" He says: "He was passing by and he did not do it himself, but the stone was thrown by the neighbour of my little friend." You ask him: "Who was that neighbour?" He says he does not know. No one knew. It is like that. No one is responsible for anything. If we are to have new departments let us have departments where the ministers have authority to do something and where they will be responsible to the House of Commons. It is impossible now to get any information. How often have I asked the Prime Minister to give me some information about expenditures in each department? It is no better now than it was before although fine promises were made.

We are here to maintain at all costs the principle of responsible government. We are here to maintain that during war as well as in peace time, and there is no reason why that should not be done. I see my hon. friend the leader of the Canadian Commonwealth Federation across the way, who has visions and a mirage in mind for this country. When he sees someone suffering he says: "Here I am, I shall make you recover. I have a cure for you." When you ask him what that cure is, it is impossible for him to tell you.

The reason why I object to his policy is that he stated not so long ago that he would use the same people in the service that we have now to promote his own policy. I find that they are not good. I find that most of them should be kicked out. I said that to the hon. member for Parry Sound and the hon. member for Vancouver-Burrard. I said: "The trouble with you, gentlemen, is that you are two great lawyers. The trouble with you is that you consider the matter as expert legal minds. You make such subtle distinctions! The thing for you to do is to buy a pair of lumberman's boots, take a fork and a

shovel and shovel those people out." That is the way I understand it. What can you do with bad tools? What could the leader of the C.C.F. group or any leader do with the tools that we have now? They come from universities and they have no practical experience. They have those dreams, but they are far from being equal to Plato, the great Greek philosopher, who thought of an ideal state. What most of them do is to have a scheme, or plan, that will give them the opportunity to have two maids instead of one and change their old car for a brand new one. It is a scheme they turn to their own advantage because parliament has no control over bureaucracy. That is it.

What is the use of speaking of parliamentary rights and of the supreme control of parliament when we are treated like children? When we come here it is to impose taxation and approve the spending of money. To-day we have a resolution to constitute a new department. After the bill is passed and the department is constituted, the minister will be just as independent of parliament as any one of his colleagues. We shall have no return. We shall have no public accounts. We shall have no information, and when we ask for some information we shall be told it is too expensive to give it. That is it.

I shall tell the Prime Minister and the Leader of the Opposition, as well as the leaders of other groups that it is time to apply the scissors to bureaucracy. It is time to stop. It is time to think of the date when bureaucracy will be reduced at least by one-half and when we shall dispense with all the fine brains produced by the universities. Some years ago I complained of the teachings that were given especially at the university of Toronto by King Gordon and at Queen's university by another gentleman and at McGill university. What happened? Sir Edward Beattie did not say anything to the students at McGill, but he went to Queen's university and gave a calling-down to the students there. I asked him for a copy of his speech. He sent me others but he did not send me that one. Then what happened? It was the ambition of the key men of the C.C.F. to shape the minds of the university students, to shape them like their own. Then what happened? What happened is that business has taken over the control of universities. The young men who are now students in political economy and political science and like subjects are not used any more by private concerns for statistical work or private planning. They are sent here to the government to look after the interests of big finance. I denounce them now for that very purpose. I knew that most of the Canadian universities are controlled by big finance. If I am told that the chancellor of Toronto university is the venerable Sir William Mulock I reply that it is easy for anyone to look at the board of governors to see that I do not exaggerate in any way when I speak of the role of high finance on the board there; not only on the board but also on the teaching staff and in the formation of students who come out of that university.

Now, sir, it is time to think deeply. We are here as private members, all of us. The members on the treasury benches as well as those on the opposition benches and back benches are here to discuss the problems of the future of this country. We wonder what will happen. Nothing will be decided by fine phrases or by eloquent speeches. We have to come down to facts. We must be realistic. We must realize that the first thing to do for this country is to cut down the dominion civil service to the minimum, to make a selection and then to have the courage to dispense with those who are useless. How is it that some people who do absolutely nothing in their own offices are kept here? They are kept here because the minister knows them and is afraid to receive complaints from those people if they are fired. In my view it will be a benefit to the country to dispense with a few men at the top and some others at the bottom in order to give the country a breathing spell.

Can we continue to institute new boards, new organizations, new departments? How would it be possible for a businessman to pay for all that? Where is the businessman who is not handicapped by taxes? He has to pay for social work; and if we have so much social legislation, it is precisely due to the increasing taxation. Before taxation was at such a height it was possible for private charity to do marvellous things. It was possible for private charity to help a large number of people that no government could provide for. With the burden of taxation ever increasing the Canadian people are becoming slaves in their own country. That is why the government is going after social legislation. I am not against the social happiness of the people. I am all for it. I remember the time when I asked the Prime Minister to help me to prepare statistics with regard to hours of work and minimum wages in the various cities of Canada. I did that before Tom Moore ever spoke of it. I did it before the C.C.F. party ever spoke of it in the House of Commons. I think it was in 1928; anyway, it was a long time ago. I did that with the help of the Prime Minister. I was rebuffed by Tom Moore and the trades and labour congress because I was not a labour man. I was not of the type of Dorothy

Thompson who makes a million dollars a year and belongs to the C.I.O. in the United States, I am not a hypocrite like that. I was doing that for the welfare of my own people.

What help have we had from the other groups in regard to the welfare of Canadian citizens? They are like Moses; they want to lead the Canadian people into the promised land, but the leader of the C.C.F. party must remember that Moses never got there. What is their suggestion in regard to reconstruction? How do they want to reconstruct this country? Should it be done, as Mr. Woodsworth said during the special session of 1939, by conscripting bank accounts? Is it to be done by preventing people from having any profits? In my view the Canadian people should be just as wealthy as they deserve to be. Every citizen should be entitled to a profit, to enable him to live decently. We must have private initiative. A man has a right to what he earns; a man has a right to save money in order that he may enjoy the comforts of life. A labouring man has as much right as a millionaire to the comforts of life, though he may not have so much money with which to get them. Every man must be enabled to bring up his children decently, to live well, to have all the clothing he and his family needs, and to enjoy at least the life of a decent citizen.

I think this department should be called the pigeon-hole department. It is not that I am against social reconstruction or against the welfare of the Canadian people. I see one of my hon. friends laughing; let me tell him that what I say now is what I have been thinking ever since I read his description of our future happiness. It is dangerous to lead people to expect more than it is possible to give them. That is what creates communism and disrespect for parliamentary institutions. The situation is so bad that the committee to consider the rules of the house, which was presided over by Mr. Speaker and on which were at least two ministers, the Minister of Pensions and National Health and the Minister of Justice, stated that there was general criticism of parliament throughout this country. We have to think of the safeguarding of our national democratic institutions. A faux pas might have the most serious consequences, and before they go farther I hope the members of the cabinet will think seriously not of what I have said but of the facts I have presented. I am tired of playing the role of Cassandra in this house. I hope what I foresee never will come about, but we must visualize the worst and must act in such a way as not to disappoint the men who are fighting with the Canadian army and who have every right to expect decent treatment from this country when they return, even before the war is over.

If this proposal goes through, someone will be appointed as minister of reconstruction. In that connection I should like to bring a certain matter to the attention of the Prime Minister, and this will conclude the remarks I have to make at the moment. The late Senator Dandurand described himself in the "Parliamentary Guide" as president of a bank, director of an insurance company, and so on. At the present time one of the Prime Minister's colleagues describes himself as director of the Great West Life company. I see no wrong in that as long as the fact is made public that a cabinet minister is a director of a company. Other ministers, however, have resigned their directorships of banks and other companies before entering the cabinet. I wonder which policy is right, to retain a directorship and make that fact public so that all may know it, or to resign that directorship. Then there are ministers who inform us only through British publications as to the directorships they hold. They form a third class. I ask the Prime Minister to tell me what is the policy of the government concerning ministers who are on the boards of banks, insurance companies, and so on.

Mr. COLDWELL: I was hoping that we might discuss the appointment of the minister and the setting up of the department when we had the bill before us, because I think that would have facilitated the business of the house and would have given us an opportunity of seeing exactly what is contained in the bill and therefore of discussing the matter more intelligently. I am not going to say very much at this stage. While I agree that the war is not yet won and that we must make it our business to provide everything necessary in order to win it, nevertheless I regard it as imperative that at the same time we should lay the foundations of reconstruction as rapidly as possible. Indeed, throughout the war I have held, as I hold to-day, that the preparations for the prosecution of the war and the foundation of the reconstruction period ought to be considered indivisible.

This afternoon the Prime Minister stated the problem in a very few words. He drew to the attention of the house the fact that at some time we shall have to find something like two million jobs for those who to-day are engaged in war industry or who are serving in the various branches of the armed forces. I am quite in agreement that a minister of reconstruction shall be appointed, but I do think we need to do more than appoint a minister. I am not quite clear as to what

will be the duties of this minister, nor shall I be clear about it, of course, until I see the bill. However, it does seem to me that it is not the coordination of the work of the established departments that is necessary but rather that we should be sure we comprehend both the resources we have and the possibilities of using them in the post-war period. It is all very well to say, as the hon. member for York-Sunbury did, "Well, we have to win the war. Meantime these other things may wait." The war is not yet won, but I suppose no problem is more in the minds of the young men and women who are in the armed forces than the problem of what is to become of them when the war ends. Yesterday on the train coming to Ottawa I was talking to two or three men who were sitting in the sleeper. I was not paying particular attention to a young man sitting on the opposite side of the aisle, but all of a sudden he chipped in. He heard us talking about the war and the possibilities of the post-war period. He was a young airman and he said, "Like millions of other boys I am thinking of what is going to happen to me when this war ends if I come back again." It is all very well to say that we have to win the war first, but we should make some adequate preparations so that when people are let out of war industry or return from war service they will not have to go in the bread lines and be put on relief or have to take all kinds of unproductive jobs. The people of Canada are expecting this government and this house to take these matters under consideration now and to be thoroughly prepared when the time comes.

No one will ever be able to make the excuse again that Canada cannot provide for her people. No one ever again will be able to say that there is no money to maintain the essentials of life and to provide a reasonable standard of living for everybody in this country. We have demonstrated in this war, even with the type of planning that has been done—it has been rather haphazard—what might be done in a peace-time period. The first task given to the minister of reconstruction should be that of making a thorough survey of all our resources, both human and material, the laying down of some plans to utilize our material and human resources and to absorb the labour of two million people when this war ends. I believe we can do this if we make up our minds that we will lay down, adopt and follow a far-reaching national plan for the conservation and development of the natural resources we have in this country. This does not mean that this can be done without some attention being given to external problems of trade and so on, but I believe trade problems can be solved by coming to proper types of agreements with those who are willing to trade with us as we are willing to trade with them.

Mr. MARTIN: Much of the former has been done already.

Mr. COLDWELL: I have not seen very much of it. We are being told constantly that this kind of thing has been done, but I should like to see some real evidence of its having been done. I have just come back from the west where I spent a few days. After leaving Ottawa and the other centres in this part of Canada and going out on the prairies I could not help noticing some of the farm homes that I saw. I found some conditions appalling. Of course, some are also appalling in some of our cities, but on the prairies I saw unpainted villages and tiny homes on the farms with very little in them. A few days ago I was in the home of a mother whose son had recently been taken prisoner of war. I saw a tidy, clean, humble home with very little in it, and I realized that while that mother had sacrificed a boy, this country had given her very little in the way of human and material comfort as compensation for the loss and anxiety that she has undergone. As I say, I should like to see a thorough survey made of the possibilities of this country, including rural rehabilitation. I notice the hon. member for Essex East looks rather worried or hurt when I say that.

Mr. MARTIN: Not hurt. May I say what is in my mind?

Mr. COLDWELL: The hon. member can reply in a moment, if he does not mind. Let me say to the hon. member for Essex East that it is no use just having a blueprint unless we are prepared to carry it out.

Mr. MARTIN: I agree with that.

Mr. COLDWELL: The hon. member for York-Sunbury (Mr. Hanson) pretty well expressed the psychology that is abroad when he said this afternoon, "Why consider these matters now; why not leave things more or less to work themselves out?" I suppose we are to leave things to so-called private enterprise. May I say again that in my opinion along those lines lies disaster. I have on my desk a quotation from a statement made by one of the great students of social and economic relationships. On May 24, 1943, Sir William Beveridge was interviewed in this city by one of the local newspapers and, on

being asked whether he thought private enterprise could cope with the post-war problems, made this statement:

I am not at all sure that private enterprise can take the responsibility of both maintaining enterprise and showing a profit. It seems to me difficult, perhaps impossible, thus to serve two masters. I doubt if employment can be maintained without a very considerable proportion of public monopoly in the national economy.

He was then asked, "Don't you think private enterprise should be given a chance?" and he replied:

No, I don't. Not if it can't do the job. I want to take no chances on the maintenance of employment—it's far too important a matter. I would not entrust it blindly to private enterprise any more than private enterprise should be trusted to run a war.

I fear that that is what we are inclined to do as a country, to leave too much to what sometimes is called private enterprise.

As I said, I did not rise to enter into a prolonged debate on the setting up of this department. I think it should be done, but from what I have heard this afternoon I do not think the functions of the department are sufficiently wide. I do not think they are sufficiently comprehensive. The hon. member for Témiscouata (Mr. Pouliot) has referred to bureaucracy. I dislike bureaucracy and I believe that in the future we shall have to devise ways and means of making democracy work. Let me add that we have never been under a greater bureaucracy than the bureaucracy of big business, of private monopoly and of international cartels.

An hon. MEMBER: And of the financial houses.

Mr. COLDWELL: And of the financial monopoly. It seems to me that the time has come when we must devise democratic methods in order to control these great economic functions in the interests of the people. And it can be done. When the bill comes down I shall look it over carefully to see just what hope there is in it for the planning of the post-war period in the interests of those who have served in this war and for all those who will expect opportunities for an adequate livelihood when peace comes.

Mr. MacNICOL: Mr. Chairman, I am going to support the resolution. In my opinion, next to the national defence departments, of which there are three, the munitions department and the finance department, the proposed reconstruction department will be the most important. I am one of those who firmly believe that next to the prosecution of the war the preparation for peace is the most important. In supporting any plans for the preparation for peace I do not intend for one moment to neglect anything I can do to prosecute the war. For the last three years I have been advocating the doctrine of war first and the preparation for reconstruction second.

I believe, further, that this resolution is in line with what was sent from the reconstruction committee which was headed by the hon. member for Cariboo (Mr. Turgeon), who made an excellent chairman. I am sure that he and the other members of the committee, including myself, have done our best to search out from among the proposals that came before us those that would be the most effective in providing employment after the war. I cannot for a minute see why this department should not have been set up some time ago, as the reconstruction committee recommended a year ago, or at least during last session.

I remember very well what happened in 1918. I was in big business then. I quite agree that no one can say that the war is going to end this year, but on the other hand no one can say that it may not end this year. It may end as suddenly as it did in 1918, and suppose it did end this fall, are we ready? We certainly are not. We certainly have not anything ready that I know of, and if this new department can have something in shape and ready it will have done a good job. We should have many projects ready to send thousands and thousands of men to work upon as soon as the war ends, to provide employment while industry is retooling.

I know something about industry; I ought to. I do not for one minute endorse what the hon. member who has just sat down has said about industry. I am going to discuss that for a moment because I am getting tired of listening to that kind of talk. Anyone who has served in big industry for years should know something about it. The man who has not can have his own opinion, but his opinion does not influence mine one iota. Canada owes a great deal to big industry, for the honesty of purpose of big industry and for what it has done for this country. If industry had not given employment to hundreds of thousands of men and women before the war and during the war I should like to know what would have happened to the prosecution of the war. Neither will I endorse what my hon. friend said about private enterprise. I am in favour of private enterprise. I have seen too much waste and too much excessive costs through government conducting business that should have been conducted by private enterprise. But that is not what I rose to say.

People all over this country have been confused over where to send their recommendations on reconstruction, and perhaps the bill

to be founded on this resolution will settle some of this confusion that I have found everywhere across Canada, and I have been over most of it. Boards of trade and municipal councils have asked me to whom they should send their reconstruction recommendations. They say that we have three or four committees working on reconstruction, the cabinet committee, the Doctor James committee, the Senate committee and the House of Commons committee on rehabilitation and reconstruction. If this new department will mean the concentration of recommendations and representations before one body, well and good. That will be better than it is to-day, and in saying that I am not casting reflections on any of the committees that have been set up.

Someone has said something about blueprints and specifications. There have to be blueprints and specifications; and if the new minister, whoever he may be, and this new department that is to be set up will take some little advice from the humble member for Davenport they will make many blueprints and many specifications, go into many details and have their plans and projects ready. I could give them a hundred projects myself, every one which is absolutely necessary and for which blueprints and details could and should be prepared now, so that the projects will be ready to start when the war ends. The blueprints and specifications could in the meantime be pigeon-holed after all the details have been worked out, so that when the war ends all that it would be necessary to do in order to have this or that project started would be to call for tenders and get the men on the job. It would not be necessary to order production of the material in advance, for it would have to be ordered some time; and if everything is in readiness when the war ends, the new department could announce at once that so many million brick would be required for this project, so many thousands of tons of steel for that project, so many million feet of timber for the other project, and so on all down the line. I endorse the proposal, and if the department has not the necessary authority—and the hon. member for York-Sunbury seemed to doubt that it had the necessary authority—I hope that before the bill passes the house the Prime Minister will see to it that the department is given absolute authority to make all preparations necessary for providing men and women with jobs following the war.

I believe there will be about two million jobs required; if you do not make preparations, exactly the same thing may happen that happened after the last war, and there is not a man or woman in this house who wants to see that occur again. When I say that, I am not blaming any previous government because they had no experience in after-the-war matters. But now we have had the experience of not being ready, and this government has seen what happened through not being ready. I endorse this attempt to get ready, so that when the men return from overseas there will be jobs for them, and jobs in the meantime for men who have already returned and for men who are thrown out of employment from industry. Some days ago I was in an industrial plant which employs several thousands of men and women. Ordinarily, that plant would not run twenty-four hours after the war is over, for the very good reason that it is making things that are wholly needed for the prosecution of the war. I know that some people say: Oh, you will have to keep these plants running, producing munitions and guns that probably will not be needed again for one hundred years, and the guns will be obsolete by that time. That, to me, is not sound economics. I would rather see this new department prepare to do something for Canada, by making plans and preparations for projects all over this country where men and women can be put to work. Many of these projects will be self-liquidating, and a great many of them should have been started years and years ago, projects which in the long run will not cost the country a dollar. When the department is set up I shall be glad to send it lists of projects which I have surveyed myself here and there across this dominion, because I am absolutely sincere in believing that all preparations should be made ahead of time and everything be ready when the war ends. Of course, it will be some time before the soldiers start to return after the war, but many of them have already returned. The hon. member for Témiscouata mentioned, and I had intended mentioning it myself, that many of those who have returned are not working, and if this new department can provide them with jobs and provide with jobs those who are let out from industry, that will be a start. What preparations are made for them? Every day men and women are being released from industries throughout this country. Where are they to be sent? The department should make plans to provide employment not only for those who are returning from overseas but for the great number who are engaged in making munitions of war.

I should like to ask a few questions. When the bill comes down I shall have much more to say. As I understood the Prime Minister, he intimated, although he may not have used these words, that there would be an effort by this department to invite new lines of

industry. Certainly a vast number should be introduced, for there is much opportunity for them in Canada. Perhaps this department will enable many industrial organizations now established on the other side of the water, and with a number of which I am acquainted, to set up their activities here for this market. I believe that, operating with the consent and assistance of other government bodies, this new department will find here a wide field of usefulness. Some person or some committee having the authority could make a survey of, say, a thousand and one new lines of industry for this country, many of which, if the proper surveys are made beforehand, could be installed in munition plants which, being single purpose plants, will likely close when the war ends, and for which, otherwise, no use might be found. If that is to be part of the work of the new ministry it will have my heartiest support. I am sure that thereby much employment will be provided.

I should like to know also whether this new reconstruction department will be empowered to dig into and set on foot the St. Lawrence deep waterways power project. If that programme, which is known to almost every hon. member as well as to most engineers, were comprised in the activities of the new department, there would be fifty thousand jobs to begin with. Further, the electricity produced by the deep waterway on the St. Lawrence river would provide hundreds of thousands of jobs in new industries. The international section of the St. Lawrence deep waterways alone can generate an additional million cheap horse-power for Ontario, and the Quebec section would allow for the production of another three million horse-power, apart from what will be produced in the United States. This means great numbers of additional jobs.

In my opinion the new department will have to be ready when the war ends to furnish employment for hundreds of thousands of people. I do not believe that the men who come back from this war will tolerate what their fathers had to put up with following the last war, and nobody in this chamber would want them to do so.

I should like to know whether the new department will have any power to associate itself with the vast transportation project which has received the endorsation of engineers and economists, namely the construction of the St. Lawrence deep waterways, which would open up a vast transportation route all the way from Fort William to the strait of Belle isle, a distance of two thousand miles, and, according to the best authorities, would add from three and one-half to five cents to the value of every bushel of wheat produced in the west. We all know that anything which improves the lot of the western wheat grower will increase purchasing power throughout this country and provide thousands of jobs in industry. Will the new department have anything to do with the construction of the great lakes-St. Lawrence seaway?

One other question. Will the department have anything to do with the programme which, though I make not the slightest claim to its initiation, I strongly supported on February 3, of a giant irrigation project in the west? This would mean directly or indirectly the provision of another hundred thousand jobs. Will the department have anything to do with providing water for the cities of the plains? I have here numerous clippings from western papers in reference to the situation of some cities—Moose Jaw, for one—in respect of water supply. Will the new department be able to initiate a programme of damming the South Saskatchewan river, irrigating the land between Riverhurst and Regina, and providing water in abundance for Regina and Moose Jaw? I am not finding any fault with Prairie Farm Rehabilitation Act, which has done a fine job. This is not the time to digress and deal with its work, but on an appropriate occasion I shall compliment P.F.R.A. for the work it has done in the matter of dug-outs and small irrigation projects. This new department should be enabled to tell the P.F.R.A. administration to "go ahead and construct the ten thousand projects they have surveyed and approved but which they cannot carry out for lack of money." There, again, would be thousands of jobs. Will the new department be permitted to throw its weight behind projects to rehabilitate the west by providing water where water should be provided? If so, there is another important programme in which it can engage.

I shall not take up the time of the committee to mention other projects, though when the bill comes down I may have more to say along that line. I agree with the Prime Minister that all the work cannot be done in one year or in two years. A large programme must be laid out, perhaps for a period of ten years, and provision must be made for men who will need positions during the after-the-war interim. It will be remembered that after the last war, when the factories were retooled and had caught up with the demand for consumer goods, another big depression came.

If the Prime Minister and the government have the vision which I have of what a department like this can do there will not be an unemployed man or woman in Canada.

Employment will be available for everybody at good wages. Contracts could be let to provide everybody with jobs. There should not be an unemployed man or woman in a country like ours, filled to overflowing with resources. No country in the world has the resources which Canada has, but access is denied to many of them because of lack of transportation. I believe the Prime Minister mentioned roads. There is room for vast development in that direction. Will the new department have to do with providing the facilities by which these vast resources can be reached?

Further, what cooperation will it have with the provincial governments and the municipal authorities? Apart from the very large projects which will be purely federal government business, will ordinary works be constructed by the provincial governments and the municipalities under the direction of the new ministry? Will the ordinary works, municipal and provincial, be constructed by the municipalities and the provincial governments under the direction of the new ministry, or what will be the association of the new ministry with the provincial governments and the municipalities? I presume it would not really have any association with the municipalities but it could at once do something of vital importance. It could advise the provincial governments and, through them, the municipalities how much money they can have.

If the chairman of the reconstruction committee says a word, as he may, he will tell the committee what I will tell it now, that delegations that came before the house reconstruction committee asked this question: How much money are we going to be allowed, and where is the money coming from?

I would like to have the Prime Minister amplify his remarks in that regard. Where is the money to come from? What is the programme for providing the money, or advising the provinces and the municipalities as to how much money they can have? We all read daily of the various provinces setting up reconstruction committees and some have already gone so far as to say that they will put the matter under a minister. They will, therefore, wish to know immediately the programme in reference to finances for the provincial reconstruction departments.

I feel that if the government is sincere—and I have no reason to suggest that it is not; I should not like to suggest such a thing—then, next to the prosecution of the war, we have here the biggest thing it can do, namely, to make preparations to provide employment for the glorious sons of Canada who have demonstrated on fields throughout the world that no soldiers anywhere can surpass them in valour, or all equal them. That is about all I have to say. When the bill comes before us I shall go farther in reference to some of these items, but in the meantime I should like to have answers to some of these questions.

Mr. BLACKMORE: There are two matters which will have to be taken care of in connection with post-war rehabilitation. I do not know who is looking into these matters, but the first question to be answered is this: Where is the money to come from to do all the things which it is proposed shall be done? You can pretty well gather together a committee of fourteen-year-old boys from all parts of Canada and they will tell you what should be done. They would know the roads that need to be built, the irrigation projects that should be constructed, the forests that have to be planted, and all the other things which it is necessary for us to do in order to rehabilitate the country. Similarly, there would not be a combination of eleven-year-old boys who would not know that it is necessary to provide jobs for all the people who come back. What is needed, however, is intelligence in high places to tell the people where the money will come from to pay for all these things, and until that question is answered all talk about reconstruction and rehabilitation is, to use the Prime Minister's favourite phrase, idle and futile.

The second question is this: Where are you going to find markets in which to sell the goods that will be produced? In other words, how do you propose to distribute the production which the country is capable of producing? The hon. member for Rosetown-Biggar (Mr. Coldwell) is fond of telling us how private enterprise has failed. Private enterprise, so far as I have been able to discover in the moderate amount of study that I have given the matter, has never failed when it could obtain markets for its goods. A private coal mine, granted plenty of markets, will provide all the jobs that a coal mine can be expected to provide, just as many jobs as ever a government could provide if it owned the coal mine. Then how it is that people fancy that government ownership of industry would provide jobs where private ownership fails to provide them, granted the same market conditions, I simply cannot see.

Certain it is that in this country there must be provided a method of distribution. Distribution means money once more. Not only must money be found for the construction of great irrigation projects and the like, but it must be found to provide purchasing power in the hands of the people to enable them to consume the goods which industry stands ready to produce. I submit, therefore, that until

the Prime Minister explains where the money can be found for these two purposes, he is simply wasting his own time and the time of the house and the country in talking about reconstruction and rehabilitation. If he pretends that the mere appointment of a ministry of reconstruction and rehabilitation will solve the problem, then I am very much afraid that one would have to apply to him a harsher word than I should care to use. I am not questioning the need of a department or a minister to take care of the manifold jobs which are required; but I am saying that until the two main requisites are provided for, this is mere shadow-boxing. It is mere pretence.

I shall say one more thing before I resume my seat and it is this. When the money is being provided, the money must be provided without additional taxation and without additional debt; for we have reached the point now at which it is exceedingly dangerous to add a dollar to the debt of the country, and we have also reached the point at which it is exceedingly dangerous to add a dollar to our tax structure. Hon. members might just as well face the facts. If the money which I have referred to in the earlier sentences of my remarks cannot be found without additional debt and additional taxation, then I contend that what this House of Commons needs to do, what the government needs to do, is to appoint a committee to find out where the money can be got without additional debt or taxation. If we knew where the money could be got we would have very little trouble in taking care of post-war rehabilitation and reconstruction.

I propose to support the Prime Minister's proposal to appoint a minister and build up a department, but I say positively that unless the difficulties to which I have referred are taken care of, I can see quite clearly that the whole thing is idle and futile.

Mr. LOCKHART: I want to make one or two comments on this resolution, and I would call the Prime Minister's attention to the words in the latter part of it, to provide for the employment of officers, clerks and servants necessary for the proper conduct of the department. There are strong feelings throughout the country about the present set-up of government departments, such as the wartime prices and trade board and others, the army of controllers and deputy controllers and assistants, and the office accommodation and thousands of telephones that must be provided.

Let me take a minute or two to direct the attention of the committee to the type of situation which is developing in connection with these top-heavy departments. I think the country is beginning to wonder when there is to be a curtailment in some of the branches of the service that have outlived their usefulness and at the present time are trying to justify their existence. How soon will there be a curtailment in these activities?

I wish to give one or two illustrations and then I shall postpone any further remarks I have to make to a later stage when the bill is introduced. I desire to direct the attention of the Department of National Defence for Air to a development that is going on in connection with the wartime prices and trade board and other groups that are, I repeat, top-heavy in personnel. I am in total agreement with private enterprise. I shall give one illustration of private enterprise that looked after the needs of elementary schools and the like during the past four years of warfare. Recently what do we find? We find that the Department of National Defence for Air formerly called upon private enterprise to furnish coal necessary for the running of elementary schools. They are now proceeding to buy their own coal and asking private enterprise to become cartage agents only for the distribution of these materials. If the Prime Minister or any other department wants to know the facts I am prepared to give them.

I wish to say to the Minister of National Defence that nobody in this country ever heard of that department buying the coal direct as necessary to heat an armoury. Dealers are now being asked to tender on the cartage only, the coal to be bought here in Ottawa by controllers. Before we start setting up machinery to provide for the employment of officers, clerks and servants necessary for the conduct of a new department, we had better look well to the present set-up to see when we are to give the Canadian people evidence that there is some curtailment of unnecessary expenditures being made. I just wish to leave that thought with the Prime Minister. I am prepared to give him evidence of the facts that I have stated. It is high time that somebody in these departments stepped in and, as the hon. member for Temiscouata said, used the scissors, and used them liberally. The time has arrived when there must be a reduction in this type of thing.

In conclusion, may I say this in connection with a later resolution dealing with social welfare. I did not hear the Prime Minister say anything about holding that up until after the dominion-provincial conference. He referred to other delays which may be necessary. These are the kinds of things that are upsetting the people to-day. The sixth victory loan is about to be launched, and when you look around you hear some of the wartime

prices and trade board personnel referred to in the municipalities as derelicts. It is about time we used the paring knife on some of the present departments that should have long since ceased to exist, since they have served the purpose for which they were appointed.

Mr. GRAYDON: I shall take just a few moments in connection with the resolution that is before us. First of all may I say I agree with some of those who have spoken previously with respect to the confusion and conflict which seem to exist in many of our minds in regard to the real position of the new minister of reconstruction when he takes his position in the cabinet.

When the bill comes up for consideration I should like the Prime Minister to make clearer than he has been able to do on the resolution the exact position of the minister of reconstruction in his relationship to the other members of the cabinet. To use a term which is very often used in construction and not reconstruction, it looks to me as though he will be a sort of straw boss in the cabinet. Whether he will be a deputy prime minister or whether he will have an over-riding supervision over other members or not is a matter which I think the Prime Minister might properly clarify, because I am not clear where the minister's position begins and where he relinquishes the authority at the proper time in the cabinet councils.

One thing that disturbed me a little in connection with the explanation of the Prime Minister is that he spoke again of blank cheques being issued to the government with respect to matters in the post-war period. I hope that he has not any thought of carrying the blank cheque system into the period beyond the war. There have been many reasons, and perfectly cogent ones, why that should be done in a war-time period. Perhaps the war appropriation bill is a very good indication of the necessity of that being done where the urgencies and stringencies of war are so evident. But I do hope that the Prime Minister will make sure that we shall not be subjected to such matters as the blank cheque business in the future. I trust that such a provision will be placed in the bill. I am, however, somewhat fortified in my own mind with respect to that because perhaps—and may I say a little more than perhaps—that will be taken care of in due course by the new government which will assume office at the appointed time.

I wish to say to the committee and to you, Mr. Chairman, that as regards reconstruction and the preparations for peace I find myself largely in agreement with the Prime Minister and some others who have spoken. Our first job is to win the war. That has become almost a hackneyed phrase. There is probably no need of repeating it except for the possibility that there seems to be evident in certain parts of the country a spirit of complacency which, I hope, will shortly be dismissed in so far as the public is concerned.

We must remember that the war has cost us a lot in men, money and materials, largely because we were unprepared for war. When we speak of reconstruction let us remember that we must not enter a period of peace unprepared for it, because that may be just as costly as being unprepared for war. I have that definitely in mind. In bringing forward plans for the post-war period we must see to it that when peace comes—let us hope it comes quickly—no matter how quickly or how unexpectedly it may come, we are not caught as unprepared as we were when war broke out in 1939. That, I believe, is consonant with our plans for the prosecution of the war. I do not think there need be any feeling that our preparations for peace may interfere in any way with the prosecution of the war itself.

In closing, Mr. Chairman, I want to emphasize one thing. Many times I have said in this house that I am proud to have a very heavy correspondence with boys who are serving overseas. I could show the Prime Minister and other hon. members scores and literally hundreds of letters received during the last two or three months which deal not only with the part these boys are playing in connection with the war but also the deep concern they all feel as to what preparations we at home are making for their return. That is one thing which should guide us in our deliberations with respect to the reconstruction period. For that reason I shall support the resolution now before the committee to set up a new ministry, but I want to make this reservation. I hope that when peace comes we are not going to have a great many additional departments of government. If rumour has it correctly the minister in charge of this department is to be the present Minister of Munitions and Supply, whose department probably will no longer require a minister once the war is over. Naturally I cannot ask the Prime Minister a question to that effect, nor can I expect any information on the point; I am simply repeating a rumour I have heard. If that be the case, however; if we are substituting one department for another which will not be required, then I think in the interests of economy, in the interests of the solution of post-war problems, and in the national interest generally we can support this measure. However, I should like to reserve to myself and this party the privilege of

further criticism after we have seen the bill itself and have had an opportunity of examining its proposals.

Mr. CLAXTON: It is evident from the actions of the government, as well as from the speech from the throne, that the winning of the war remains the first of all objectives. It is equally clear that the second objective of the government is the institution of measures to provide full employment after the war. That point is dealt with in the speech from the throne in these words:

> In the opinion of my ministers plans for the establishment of a national minimum of social security and human welfare should be advanced as rapidly as possible. Such a national minimum contemplates useful employment for all who are willing to work. . . .

It is in order to implement this statement that the resolution, and the bill which will be based upon it, are brought before the house. Several questions have been asked about the role which will be occupied by the minister in charge of the proposed department. From what the Prime Minister has said it is obvious that the minister will have to coordinate the plans of other departments. He will have to work through other agencies, if there are any other agencies; he will have to see that a particular plan is carried out by an appropriate agency, governmental or otherwise; he will have to cooperate with provincial and municipal governments, and if no other way is found to carry out a task he must be ready to do it himself. The powers which were read by the Prime Minister provide for that being done.

It should not be thought that the new department and the new minister start from scratch. As hon. members know, a great deal of work has been done in this connection by parliamentary committees, by interdepartmental committees and by the advisory committee on reconstruction and all its subcommittees, the reports of which have been tabled in the house. All that work has been done and will be available to the new minister when he is appointed. From that starting point he can go forward.

Mr. GRAYDON: Is it to be a new minister?

Mr. CLAXTON: It is to be a new minister of reconstruction, though not necessarily a new minister.

Mr. GRAYDON: That is as clear as the Prime Minister's explanation of his position.

Mr. MACDONALD (Kingston City): An old minister with a new name.

Mr. CLAXTON: The leader of the opposition knows very well that we are debating a resolution preceding the introduction of a bill to set up a new department, over which there will be a new minister who will be the first minister of reconstruction. That should be clear enough for him.

In conclusion, may I say that during the war the people of Canada have become conscious of their resources to a degree they have never known before. We now see something of what the people of Canada can do. We have seen an enormous increase in our industrial capacity and in the skills of our people; and I think most Canadians have faith that these resources and skills can be put to use after the war is over. Useful jobs can be provided for all Canadians willing to work, and that will be the object of this new department.

Mr. MACKENZIE KING: I should like to express my appreciation of the attitude of hon. members toward the resolution which is before the committee, and to thank them for the support they have given the principle of the establishment of a new department of government specially concerned with reconstruction. My old friend the hon. member for Davenport has asked me to answer one or two questions. I think they help to elucidate the significance of the work of the minister of the department of reconstruction. The hon. member asked whether the department would be concerned with seeking to have new industries developed in Canada, with furthering the possible development of the St. Lawrence waterway, with the matter of irrigation in the west, and projects of the kind. These questions serve to illustrate exactly what I have said, that all matters which relate to the development of resources, of industry and the like will be part of the work of reconstruction. It will be a part of the duty of the minister of reconstruction to seek to gather from his colleagues of the other departments information as to the projects which they feel should be developed in the interests of the country. He will bring such matters before the cabinet, together with his recommendations, after consultation with the other ministers as to whether or not they should be proceeded with. All the subjects mentioned by my hon. friend would in my opinion be among those which, at some time, would find a place somewhere in a general plan of reconstruction. Then I was asked as to the possibility of providing roads. That question illustrates another phase of the work of the minister. That is, he is not merely to be concerned with matters exclusively within the jurisdiction of the federal government but by conference with the provincial governments, and through cooperation with

them, work out means whereby plans of theirs might come to be associated or coordinated with plans the dominion government might have under way. Cooperation with provincial governments generally would be part of the work of a minister who would seek to coordinate matters as a whole.

Then my hon. friend the leader of the social credit party asked where the money was to come from, and said that when the time came to administer the act there would have to be intelligence in high places. I will not say anything about where I think the most intelligence will be found in the matter of finding the means essential to carry out a reconstruction programme, but my intelligence would cause me to hesitate somewhat in accepting the proposals that are made by his party to carry on government, as he says, without increasing debt or taxation. I do not think anyone could undertake sincerely to carry on government to-day without debt or without taxation. I think I added the word "increasing." If I am not mistaken my hon. friend's original statement was, "Where is the money coming from? We could have it, but without debt or without taxation." I cannot see that it is going to be possible to do any work of government without having some taxation or incurring some debt.

My purpose in speaking in answer to my hon. friend was, however, to point out that if it has been possible in this time of war for this country to raise the enormous sums which have been raised to help pay the cost of the war, running into billions of dollars, if it has been possible to raise at least half of the total cost of the war at the time of the war itself, it should be a very much easier task for the government to raise the money that will be necessary for the purpose of reconstruction. It should be easier for this reason. The money we are raising to-day is being raised unfortunately for the purposes of destruction of human life and property, and this on a colossal scale. The money that we will have to raise for purposes of reconstruction will be money that will be used for purposes of construction, used to further increase all commodities in order to satisfy human wants. Once a human want is satisfied, it seems to be the case that new wants are thereby created which will also have to be satisfied. I think it will be possible to satisfy many wants by maximum production of useful and usable commodities. It should not be difficult to obtain the money, in other words the effective demand, which will be essential, and at the same time I would hope to reduce taxation and also debt.

Just a last word to my hon. friend the leader of the opposition who has referred to the minister of this new department as a straw boss. I prefer the term which has been used in the British parliament in reference to Lord Woolton, who has been referred to as the coach of the team. If my hon. friend ever comes to have any experience with government I think he will come more and more to realize that there should be no bosses, but that "whosoever will be chiefest shall be servant of all."

Resolution reported, read the second time and concurred in. Mr. Mackenzie King thereupon moved for leave to introduce bill No. 82, to establish a Department of Reconstruction.

Motion agreed to and bill read the first time.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

VETERANS' AFFAIRS

ESTABLISHMENT OF DEPARTMENT TO DEAL WITH THE CARE, TREATMENT, TRAINING OR REESTABLISHMENT OF MEMBERS OF THE ARMED FORCES

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved that the house go into committee to consider the following resolution:

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.

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

Mr. MACKENZIE KING: Mr. Chairman, hon. members will, I believe, agree that having regard to the experience we have had since the last war in dealing with veterans' affairs and realizing what the war veterans' problems are likely to be after the conclusion of the present war, the time has come when there should be established in Canada a department of veterans' affairs which will have immediate supervision, control and direction over matters of concern to the war veterans. The parliament of Canada, in recognizing an obligation of this kind, will again be giving to our armed forces an assurance that this parliament at this time has very much in mind these matters which will be of

the deepest concern to them and that parliament is anxious to make the fullest provision for all matters that are likely to arise which may have a bearing upon their interests through the period that is to follow at the conclusion of this terrible war.

My colleague the Minister of Pensions and National Health has, as hon. gentlemen know, had more to do than any other member of the government with the administration of veterans' affairs during the last few years. He himself some time ago proposed the establishment of a department of veterans' affairs, and has had much to do with the preparation of the bill which is to be based on this resolution. I would ask the committee if before beginning to discuss the resolution at any length they would permit my colleague to make a statement on the resolution which will, I am sure, help to clarify discussion.

Mr. MACKENZIE (Vancouver Centre): Mr. Chairman, following the remarks of my right hon. leader, I believe it will be recalled that when we had a select committee of this house studying the question of land settlement in 1942, in giving evidence on June 30 of that year I suggested that it might be appropriate to set up in Canada a department of soldiers' or veterans' affairs. That suggestion received, I think, universal commendation, not only from veterans' organizations across Canada but from every political party represented in this house. It is not necessary at this stage to enter upon any prolonged discussion of the adequacy or inadequacy of the preparations made for the rehabilitation of those who are at present serving Canada in the various armed forces. There will, of course, be other occasions when ample opportunity will be given for such discussion. This resolution is merely to set up a new ministry, and possibly it might be of interest to recall for a moment or two the various changes that were made by parliament in regard to meeting the problems of the last war and of this war.

Early in 1918 we had formed in Canada the Department of Soldiers' Civil Reestablishment, with two branches, the first known as the invalided soldiers' commission and dealing with hospitals, sanatoria and other services, and the second continuing the board of pension commissions already in existence, and reporting to the privy council through the Minister of Soldiers' Civil Reestablishment.

After the war, as hon. members are aware, the hospitals which were under the control of members of the Royal Canadian Army Medical Corps became civilian hospitals, and in 1920 this parliament gave statutory authority to pension regulations which were passed during the great war. At the same time in 1920 pensions arising out of the Northwest rebellion and the South African war were brought into line, as regards the scale, with the great war pensions, and questions in regard to pensions for militia men in training were adjusted in this house in 1921.

The Department of Soldiers' Civil Re-establishment was responsible for many services in connection with the placement of discharged men in civil life with one definite exception, that of land settlement, which was placed under the Minister of the Interior. The measure to be based upon this resolution will place both the Veterans' Land Act and the other soldier settlement system under the Department of Veterans' Affairs. That was one of the recommendations, hon. gentlemen will recall, that was made to this house by the same select committee which studied the question of land settlement and which was responsible for the amendments to the Veterans' Land Act adopted by the house at that time.

Mr. GRAYDON: The present Department of Pensions and National Health passes out of existence with the setting up of these two new departments?

Mr. MACKENZIE (Vancouver Centre): Consequent upon the passing of this measure, part 1 of the act of 1928 setting up the Department of Pensions and National Health will be repealed. Part 1 of that act deals with soldiers' affairs, hospitals, pensions, treatment, rehabilitation and the like. That part of the act will be repealed and the new measure based upon this resolution will be substituted therefor.

Mr. GRAYDON: Why was the word "pensions" left out of the wording of this resolution? That was one of the reasons why I asked my question.

Mr. MACKENZIE (Vancouver Centre): That is something I was not really aware of. The resolution was carefully considered and the measure will certainly deal with all aspects of pensions and all aspects of treatment and of rehabilitation. The changes are more necessary now than ever because of the expansion of hospital work during the present war and the development of pensions. Already the number of pensions is becoming substantially large. It is due also to the scope and the sweep of rehabilitation measures which this house has dealt with from time to time, mostly in select committees.

Mr. GRAYDON: I am sorry to interrupt, but the minister's answer to my question with respect to the passing out of existence of the present Department of Pensions and National

[Mr. Mackenzie King.]

Health was not very clear to me, particularly his reference to part I and part II of the act. I should like to have this made clear: when these two new departments, that of veterans' affairs and that of social welfare, are finally constituted, will there still be the Department of Pensions and National Health?

Mr. MACKENZIE (Vancouver Centre): No. But this particular measure deals only with part I of the act of 1928 which is entitled, "An Act respecting the Department of Pensions and National Health." Part I confines itself to peculiarly soldier problems; and Part II may be merged in any social welfare legislation which may subsequently be brought down in this house. Therefore, unless the two bills would be enacted concurrently it might be necessary to enact this present measure by proclamation. So that the part of the pensions and national health measure dealing with national health would remain as such unless the house were ready to deal with social welfare legislation at the same time as we deal with and assent to this legislation.

The department will deal, as I said, with pensions, demobilization, medical care, vocational guidance and training, the rehabilitation of our men in civil life, the War Veterans' Allowance Act, and allowances to non-pensioned widows, and will also take over the Veterans' Land Act, the Soldier Settlement Act and such other measures as may be referred to it from time to time, the idea being that all measures affecting generally the welfare and rehabilitation into civil life of the members of our forces will be embraced within the ambit of the measure which will follow upon the resolution which is now before the committee. I believe that if hon. members will compare the sections of the new bill with the sections of part I of the Department of Pensions and National Health Act they will find that many sections are the same. Some have been modified to a slight extent, and some have been completely recast as a result of the changes which have taken place since 1928.

That is, as succinctly as I can make it, an explanation of the structure of the legislation; and I hope that, just as all the veterans' organizations through Canada have endorsed the principle of this bill, every hon. member will give it his support.

Mr. REID: I rather gathered from the minister's remarks that the old Soldier Settlement Act will be included in the provisions of the new bill, and that the Veterans' Land Act will remain under the minister.

Mr. MACKENZIE (Vancouver Centre): I beg pardon; evidently I did not make myself clear. Both these land settlement bills will be under the minister of veterans' affairs.

Mr. GRAYDON: I have no desire to enter to-night upon a lengthy discussion of soldier re-establishment or rehabilitation, because an opportunity to do so will be presented on other occasions, particularly when the second reading of the bill takes place, and during the committee stage. There are, however, one or two matters of sufficient importance to be raised at this preliminary stage.

I was interested in the minister's explanation of the manner in which two departments will replace the present Department of Pensions and National Health. Under the wording of the resolution it was not clear to me that this did include the Pension act and the present Department of Pensions and National Health, although I recognize that the term used, namely re-establishment of members and former members of the armed forces, may cover it in a general way. I was about to raise objection, were two departments to be added to the present departmental set-up.

During the debate which was concluded just before the dinner recess to-day, it appeared that the resolution which forms a basis for a new department provides that it shall take the place of a department which would normally pass out of existence with the war, the reconstruction department then taking its place. I look with some jealousy upon increases in departments such as might be envisaged by changes of this kind. We now have nineteen cabinet ministers if we include, besides the Prime Minister, the leader of the Senate, and also seven parliamentary assistants. We are now to lose one department, although, to judge from the interest which the present Minister of Pensions and National Health takes in this legislation, and the pleased way in which, in collaboration with the Prime Minister, he helped to introduce the measure, it would not appear that we are likely to lose the minister, at least until the appeal to the people comes. In any event we are adding another department to the government, and so continuing to encroach markedly upon the private membership of the government forces. I presume that this process meets with considerable approval on the government benches, but from the point of view of economy and general organization so far as the ministry is concerned, I regard this as a good time to caution the government not to set up too many departments. Some holders of existing portfolios cannot be said to be overworked. Indeed, there is not enough work for them to do; their jobs could be doubled up. I say that plainly and frankly, without making any reflection upon any minister. It comes down to this, that there should be a reorganization of the cabinet to take care of this situation properly. I raised the question once before, because we have

voted from time to time increases in the number of junior cabinet positions which brought them to the number of seven, and now will increase them to eight. I think the Prime Minister should conduct a reorganization of cabinet positions. The duties involved in some of these posts are hardly more than formal. One recognizes that this condition may change in peace time, but we are now making provision for the perpetuation of some jobs which started in the war era, and carrying on at the same time the peace-time cabinet positions. I protest, therefore, against the appointment of additional cabinet ministers so far as this government goes. I would not object to a rearrangement of cabinet posts, but there is no justification or excuse for adding to the number of cabinet ministers and parliamentary assistants that we already have, in view of the fact that a good deal more work could be added to some of the existing portfolios.

I see clearly, and it seems to me a move in the right direction, that there should be a department devoted especially and particularly to veterans' affairs. I have always had due sympathy for the Minister of Pensions and National Health, though I have never felt that he needs very much. At one time in the course of certain remarks I was making he suggested that he needed a parliamentary assistant, but that is one of the luxuries which every minister feels that he should have. I have some sympathy for him, not because I have ever thought that he was overloaded with work in the two portfolios but rather because his special line seemed to be that of veterans' affairs rather than looking after the medical interests of government enterprises. When he was being examined in committee from time to time with regard to his estimates I always felt that while he was able to reflect fairly well the views of his departmental heads, there was at the same time need for a separation of these two departments, that of health and that of pensions, as previously constituted. That becomes more particularly necessary now in view of the fact that under the old health department there will be jurisdiction with regard to the administration of the various measures which will be introduced in connection with social security legislation which it is hoped the government will implement. That is a matter, however, which can be discussed afterwards.

In the meantime, perhaps one ought to say a word with respect to veterans' affairs. In this connection may I say seriously that in a large measure the future of Canada will depend upon how well the department of veterans' affairs handles the requirements and the needs of those who come back to take their place in the civilian activities of the country.

After this war we cannot afford to have our veterans complaining that the dominion had not offered them the kind of practical gratitude, if you like to put it that way, which is so essential if there is to be a contented population coming back from overseas service. The men who are serving have never asked for any concessions from government; all they have asked for is a decent opportunity, a fair chance to make a living, without being penalized as a result of their service in more dangerous fields of activity. I shall deal in greater detail with this aspect of the subject on another occasion, but I think the government should take into consideration changing the approach of the department to the applications or the claims for pensions and other considerations which may be brought forward by the men in the armed forces after this war. Instead of the applicant for a pension having to prove certain things, going to considerable trouble in having his claim substantiated, I suggest that after the war we ought as a nation to make sure that whatever is coming to the men of the armed forces who have served this country will be coming to them with the least possible effort or expense or trouble on their part.

I wish to leave this thought with the minister, having in view the time when we come to solve the problems of pensions after this war, if he is then in charge of the department. Let him consider this point. When a man is accepted into the armed services of Canada in accordance with the physical and medical standards that are set; when he is accepted by the army, the navy or the air force, then whatever may happen thereafter, during his service, he should not have to prove that it was attributable to his war service. That should follow automatically. I hope that when the new set-up is made and a new department of veterans' affairs is established there will be a complete reversal of the old idea, according to which a man coming back as a veteran from active service had to prove that his disability was attributable to service. Instead of that, the government must assume from now on that whatever happens, resulting in a diminution in the man's health, is actually attributable to his service. That, I submit, must be the assumption, and the onus of proof must be on the government rather than on the man himself. He should not be called upon to prove his case in that respect.

I trust that the whole attitude of the government and of the department will be entirely

changed, that there will be a new approach and that all the old cobwebs will be swept away, because this is a new war, a new era, and we are dealing with different people. Let us be guided by the experience of the past and not repeat the mistakes that we have made in the past.

Before concluding I should like to make a suggestion to the minister. It might properly be made at another time but I bring it up now because of the urgency of the matter. I have had occasion before to bring this matter to the attention of the government and I repeat it now. Some things that affect the men in the armed services may be regarded by some people as little things. I deprecate the idea that what to us or to some people may seem little things, but which mean a great deal to the men themselves, should be in any way minimized. I do not suggest that the government is minimizing any of the matters affecting the soldiers and I simply want to warn them against such a tendency.

If there are little things which the men in the services require and which they feel are big things, then in my opinion that should be taken as the yardstick for us to use and we should treat them as big things from the point of view of the nation. These things may not be very significant to some people and yet may be of vast consequence to many members of the armed forces who are being discharged.

Let me mention briefly now and in a sketchy way, because I do not want to prolong the debate, one matter which I regard as quite important. I am bringing it up at this early stage not because I am anxious to criticize the government but because I wish to bring pressure to bear to get them to change the present regulations. If the minister will give some consideration to the matter I shall be happy because I do not want to be in the position of having to criticize the government farther in this regard.

I refer to what I think has been the inadequate provision for clothing allowance for the men who have been discharged. I know the question has been brought up before and I bring it up again to-night because I want to give it the sort of setting which will emphasize its importance. I am not saying this by way of criticism, because I can find plenty of other things to criticize the government about, but so far as clothing allowance is concerned I should like the government to change the present regulations even before the bill is brought in for second reading.

As the committee knows, there was at one time an allowance of $35 for clothing for discharged men—a pitifully small amount. Then, of course, the government, seeing that there had to be an additional amount, made an increase, not to an adequate figure but to the sum of $65 for the non-commissioned officers and for the men. I do not wish to do more than say to the goverment that I believe that double the amount of $65 is perhaps still inadequate with which to send a man out into the world. I believe the government will recognize that fact. It is not right to send our men who have had to fight, into the world with an amount inadequate to supply clothing—because they are being sent out to secure jobs. If they are to be rehabilitated and reestablished, then in all fairness they should be at least comfortably and well dressed.

In conclusion, may I say that in making a survey of the various items which go to make up the outfit of a soldier who would be entering civilian life, an outfit which would include a suit, an overcoat and various other items of wearing apparel, I find that the amount for the ordinary person would amount to well over $200, perhaps to $213. Then, for a summer outfit, without having regard to clothing for any other season of the year, the cost would be about $107. For winter attire alone, the cost would be about $121.60. I realize that prices may change, but I wish to leave this one thought in the mind of the government, namely that the amount of $65 is inadequate for our men who are coming out of the services. I would ask the government to make an investigation, as I have done. Find out what it costs to buy a decent suit of clothes, and these other things which are required. If the government finds that $65 is sufficient, then my objection vanishes. But I may say this, that I believe it will find that double $65 is little enough to take care of the ordinary requirements of the ordinary man who will come out of the army and compete once again in civilian life.

I make this sincere and honest appeal to the minister, because I believe it would be in the government's interests, in the interests of the nation and the interests of parliament if he would accede to the request I have made.

Mr. MACKENZIE (Vancouver Centre): My hon. friend knows that is the responsibility of the Department of National Defence—although, of course, it is a government responsibility.

Mr. GRAYDON: Yes, it is the government's responsibility, and since it comes under veterans' affairs I thought this was perhaps the time when I should discuss it. In this way it will come to the ears of the government which, in any event, has the responsibility.

Mr. MACKENZIE KING: There is one matter to which my hon. friend referred upon which I believe hon. members will expect me to comment. I refer to his statement that the creation of this new ministry may be adding to the total number of departments of government.

May I say to him, to make the position clear, that when war came on, and as it has progressed, it was found necessary to increase the number of departments of government. There was at the outbreak of war one Department of National Defence. For some little time we continued with the single department; but it was found necessary to expand, and to create a separate department which would have to do with air defence—National Defence for Air. Then there was a necessary further expansion in the creation of a separate Department of National Defence for Naval Services. As the war continued, it became necessary to create a Department of Munitions and Supply.

All of this was anticipated when the war began. It was not possible at the outset to see what departments might have to be added; but that some would necessarily be added was self-evident. However, at the time of the expansion of departments I made it quite clear that when the war was over, there would necessarily be a reorganization of government, either by the present government or by a government which might succeed it, and that undoubtedly at that time there would be contractions in the number of departments—just as there were expansions at the beginning of the war.

I cannot say how soon any of these newly-created departments may pass out of existence. But I should not like to wait until that moment before anticipating the new departments which will be absolutely essential if we are to deal adequately with the problems which will present themselves in the period of transition from war to peace. For example, as my hon. friend has pointed out, the department which was dealt with this afternoon is essentially a new department. But it does not increase the size of the ministry. The present department we are discussing does not mean an additional minister.

Mr. GRAYDON: May I say to the Prime Minister it may mean an additional minister, in the light of the new social welfare ministry, which is now to be appointed.

Mr. MACKENZIE KING: My hon. friend means that there will have to be a new ministry for social welfare. But he will see that if the department of social welfare is to be concerned with post-war problems, by that time possibly there will no longer be the necessity for the Department of National War Services. Therefore the establishment of a new department would not mean an increase in the number of ministries.

May I point out that in other respects this ministry has not any departments of government which did not exist prior to the time that it took office. We continued with the departments which were found necessary under previous administrations, and which have been found necessary for a great many years past. What I would like my hon. friend to do, if he thinks that we should get rid of certain departments of government, is to tell us which of these departments he thinks are superfluous.

First, in the ministry are my own department, which—

Mr. GRAYDON: Is my right hon. friend asking which ministers I think are superfluous —or ministries?

Mr. MACKENZIE KING: Which departments; I would not be as personal as that, nor do I think my hon. friend would expect me to be.

Mr. GRAYDON: I would not think so.

Mr. MACKENZIE KING: And I should think he would be polite enough not to ask anything of the kind.

However, the departments which for years past this country has found necessary are the Department of Mines and Resources; the Department of Public Works—which, by the way was joined with the Department of Transport, at the beginning of the war. The two were brought together because we thought we could effect an economy in that way during the war-time period.

Mr. GRAYDON: Does my right hon. friend say that the Department of Public Works and the Department of Transport had been amalgamated?

Mr. MACKENZIE KING: They were for a time. As the war developed and the work of transport and of public works became increasingly important, we had to separate them. Then, there is the Department of Pensions and National Health, with which we are now dealing; the Department of National Defence; the Department of Finance; the Department of Fisheries; the Department of Agriculture; the Department of the Secretary of State; the Department of Trade and Commerce; the Post Office Department; the Department of National Revenue; the Department of Justice and the Department of Labour.

I do not imagine that any new ministry in office would find it possible to abolish any of those departments of government, no matter how much it might wish to do so, having

regard to the requirements and problems of the country, and the matters requiring the special attention of those ministries. I must say I do not think the ministry exceptionally large having regard to the problems with which Canada is faced at the present time.

I mention this because I think the public rather expect my hon. friend, quite as much as myself, to keep before the people of the country what is necessary in the matter of government administration; and unless he is prepared to say that some of these departments are superfluous and to tell us which they are, I do not think he should say we ought to get rid of them. If I misunderstood him; if he said he thought there were certain ministers who should be changed, I differ with him absolutely in that regard. I do not share that view; and, if he can, I should like him to substantiate his statement that any of the ministers might be said to be formally holding office. I know something of the work the ministers are doing, and I want to say that every one of my colleagues is pulling his full weight in the war effort of Canada at the present time. There is not one of them who is not working to the limit of his time and energy, not only in his own department but in assisting those in other departments to carry on their work. If my hon. friend had been in office at any time in the past I think he would weigh his words more carefully when he begins to criticize the burdens that fall upon a ministry, and the number of competent persons who are required to carry on the business of government in Canada, with the problems as they have become.

I wish to take exception to another comment made by my hon. friend this evening, a comment which he has made once or twice previously. I have in mind his references to parliamentary assistants. Either in regard to them, or in regard to the ministers, or in regard to both, the hon. gentleman used words to the effect that it was a matter of furnishing so many jobs.

Mr. GRAYDON: No.

Mr. MACKENZIE KING: Those are the words my hon. friend used, "more jobs". If he says he did not say so I shall be most happy to accept his statement at once.

Mr. GRAYDON: My recollection of what I said in that regard is that I referred to the encroachment made by the appointment of parliamentary assistants upon the general rank and file of the government supporters in the house. I shall always be guided by what *Hansard* says, but I cannot recall having made mention of jobs; in fact I am quite certain I did not, and I do not think the Prime Minister would want to quote me as having done so. Already he has misquoted me or misinterpreted what I said in regard to the first point he brought up, and I want to correct both matters now.

Mr. MACKENZIE KING: What my hon. friend now states just illustrates what I believe happens on occasions; that is, he speaks without thinking and does not really realize what he has said. This time, fortunately, we shall have *Hansard* to prove it. If my hon. friend will look at *Hansard* to-morrow he will find he made reference to "jobs." I took down the word and put it in quotations when my hon. friend used it, feeling that it was part of my duty to take exception to that term. I hope he will not say that I am trying to misrepresent him, because he will find the record of *Hansard* this evening precisely as I have indicated.

In regard to the parliamentary assistants I want to say that for far too long this country has gone without the additional assistance which a ministry should have in this parliament. Instead of believing that we have too many persons concerned with the administration, especially that part of it which has to find its representation in parliament, I think we have too few, and that we have had too few for a long time. The British government have parliamentary assistants in all their departments. In addition, some departments have financial assistants and assistants to assistants; ministers have also parliamentary secretaries as well as private secretaries. This has been found necessary in the parliament at Westminster because of the increase in business and the necessity that parliament should be given as much information as possible and its affairs conducted as efficiently and as effectively as possible. I am sure that having given that aspect of our procedure in this parliament the trial we have thus far given it, hon. members generally—unless they are thinking in terms of jobs—will readily say that this addition has been of value to the parliament of Canada and should be retained and enlarged. I know the value the parliamentary assistants have been to the ministers. They have not all taken the part in the affairs of this house which would begin to indicate the services they have been rendering; but if opportunity were given for them to speak for themselves, or others to speak for them, I venture to say that hon. members would be surprised at the extent of the assistance they have given since they have been appointed.

I want to add this further thought. The public life of our country is becoming more and more difficult, and will become increasingly difficult as the years go by. I hope that by

degrees we may get at least far enough away from purely party considerations to believe that because a ministry has some of its younger supporters brought in as assistants, they are not merely seeking to give them jobs but are helping to prepare men more effectively to play a larger part in the public life of our country. This House of Commons will change considerably after the next general elections; and while many of us who have had to do with this strenuous period of parliamentary activity will be prepared to serve as long as there is a possibility of service and as long as the public wish us to serve, and will be ready to do our part at all times, yet it would be most unfortunate for this country if younger men were not learning to-day from the inside, and from their intimate association with the ministers, something of the manner of meeting problems which will have to be dealt with in this parliament in the years to come. I must say that I am disappointed in my hon. friend, in references he has made time and again which I regard as a belittlement of the position of the ministry and others associated with the ministry. I say to him in all kindness that it does not make for the stability of government, in the broad sense of the word, throughout the country to have a minister of the crown referred to as he referred to one this afternoon, as a man of straw; or to have assistants to ministers of the crown referred to as they were tonight, as men holding jobs.

Mr. GRAYDON: The Prime Minister has outdone himself in misinterpreting—I do not say intentionally—the whole situation with respect to the various matters he has brought up. I am quite at a loss to understand the motive of the right hon. gentleman in attributing to me certain statements or certain thoughts on certain matters which he must know were not in my mind at all. He mentioned the words "straw man," for instance.

Mr. MACKENZIE KING: I think the words were "straw boss."

Mr. GRAYDON: Well, as the Prime Minister ought to know, a straw boss is something less than a superintendent, and for that reason I was referring to the hon. gentleman in question as an understudy of the Prime Minister. I think the right hon. gentleman should have understood the implications of the words "straw boss," because they are very different from the implications of the words "straw man," though, of course, if the Prime Minister had the latter idea in his mind I do not want to be the one to make him change it. But I wish to say that I, too, am disappointed with the Prime Minister's attitude to-night. This is not the first time this session that this attitude has been made manifest.

The government owes the opposition a little cooperation, and the opposition is going to ask for that cooperation. As leader of the opposition I have a perfect right to criticize the structure of the government if I so desire. I have done that to-night in the national interest and I shall do it again, just so long as I regard it to be in the national interest to do so. When the Prime Minister speaks of which one of these portfolios he is to do without, which one he should disband and abolish, he knows full well that I made no such implication, that I did not suggest he should abolish or abandon any particular one of the portfolios that we now have. What I had definitely in mind was the fact that there are some portfolios which I think could be combined. There would then be fewer ministers of the crown because of that combining. The Prime Minister must have known that, and in his own way he should not attribute to me the statement that we ought to do away with some of the portfolios that at present exist.

When I ask for economies and the better organization of the cabinet surely I should not be treated by the Prime Minister in the way he has treated me to-night. I want to have fair play the same as he does, and I do not want to be criticized because of the attitude I take with respect to the government itself. I know there are certain touchy things about the Prime Minister, and this seems to be one of them. I did not intentionally try to touch a sore spot with respect to this matter to-night, but I should like him to understand that so long as I hold the position of leader of the opposition I am going to criticize the structure of this government and the government itself, and this is going to be done in each and every case as it has been done to-day, not for political considerations as the Prime Minister has dragged in in his statement to-night, but in the national interest. If he were sitting on this side and there were another government over there I believe he would be the first one to say it was in the national interest that similar criticism should be offered.

There is a disposition on the part of the Prime Minister and the government—I do not say it is intentional because if I did so I would be attributing motives to the government—to bully the opposition once in a while. I know the Prime Minister would not want to have that motive imputed to him, but nevertheless that is the fact. We may have only thirty-nine members in His

Majesty's loyal opposition as opposed to the one hundred and seventy-five or so members over there, but let me point out to the Prime Minister that although we have only that membership in the House of Commons it does not represent the situation so far as the dominion and the electorate generally are concerned. The Prime Minister knows and the government knows that they have a mechanical majority behind them, a fictitious one at that.

An hon. MEMBER: Order.

Mr. GRAYDON: We have our rights the same as the Prime Minister and we want to be free to criticize where criticism is due and where it is in the national interest.

I think the Prime Minister knows there is no one more anxious than I—this applies to the opposition as well—to cooperate with the government in connection with war-time activities. We have done that on every measure. But in asking for cooperation the Prime Minister must not assume that we are going to surrender. We are not prepared to surrender, but we are going to cooperate and carry out our duties as an opposition as we think they should be carried out.

Having said this to the Prime Minister I do not want him on future occasions to rise in his place and place upon certain remarks certain interpretations which he knows should not be placed.

Mr. MACKENZIE KING: May I say to my hon. friend that I hope when he speaks he will speak sufficiently clearly that it will not be possible for me to place upon his words an interpretation which it is not intended they should convey. I am quite prepared to leave it to *Hansard* to make clear whether or not I placed a false interpretation upon any words that he used to-night. I was very careful in listening to him and it was only the surprise that I experienced to-night as he went on speaking that caused me to feel it necessary to rise and take exception to what he was saying.

May I say something to my hon. friend which I hope he will not misunderstand. I have noticed that while he feels free to make criticisms of the government, he invariably seems to resent very strongly any exception we may take to those criticisms. He seems to feel that he has the full right to say what he likes and that on our part we have no right to take exception to what he says. I have noticed the tactics he adopts and I point them out to him so that he will not think I am wholly blind to the purpose of some of the things he says.

In replying to me to-night he referred to having touched "a sore spot" and he has also spoken about the government "bullying" the opposition. I leave it to hon. members to say whether any sore spot has been touched or whether there has been any bullying. The purpose underlying what my hon. friend says in this way has no reference to what takes place in this house. He is thinking of the headlines that will appear in his press to-morrow. We have seen, for example, references to the effect that the Prime Minister lost his temper. When my hon. friend opposite said that I had lost my temper I am sure the committee did not think that was what had happened. I will not say it was imagination or fiction on the part of my hon. friend, but I will say it was something intended to influence public opinion beyond the borders of this House of Commons.

I say this to-night because this evening he has again skilfully endeavoured to say a few things which he thinks may attract the attention of the country. I hope he will not feel that in anything I have said I have more than the wish to make perfectly clear the position of the ministry so that the true situation will be understood from now on.

Mr. POULIOT: Mr. Chairman, acting again as peacemaker I think I can summarize this little discussion by saying that both the Prime Minister and the leader of the opposition have been at their best to-night. Now let us come to the resolution. This provides merely for a change in the name of a department. Will it be of any use? I have no objection to having any number of departments, provided each one serves the purpose it is intended to serve. If the veterans are receiving good service from the Department of Pensions and National Health, then I do not see any use in changing the name of the department. But if they are not, then it is not a question of changing the name, it is a question of changing the staff. That is where reforms are needed.

I have not made any speeches denouncing bureaucracy, but I must say that bureaucracy is at its worst in the Department of Pensions and National Health. The only pensions given are those that were granted a long time ago, and the cheques go out automatically from the Department of Finance to those veterans who were fortunate enough to secure pensions in the good old days prior to a general election. Now it is impossible to get any satisfaction from the department of pensions. I know whereof I speak because I am in contact with my electorate. What I say now I have said to the big bugs of the army not long ago. The county of Temiscouata has given more

boys to the army than any other rural county in Canada so that I feel I have a right to speak. I look after the boys who are in the army.

There is to be a change in the name. If there are to be no more pensions granted then I do not see why this department should be called the department of pensions any longer. It is impossible to get any satisfaction from the department. Many times in the House of Commons I have denounced the manner in which veterans are dealt with by the department of pensions. But always the same answer is given, that I am unfair to the poor and honest civil servants who are doing so much for their country.

We should get rid of the department of pensions. The salaries that are paid to these useless nonentities who are no good at all should be given to the men who have been in the service, to the men who have been wounded in the service. I have taken up many cases and I have always received charming letters from the minister, but they do not mean anything. If he would spend on his own department the time that he wastes on the future happiness in the three Thursdays week, it would be much better. We must go to the root of the problem and fire the nonentities that are in all departments. I know that if I said that to a crowd of veterans I would be cheered to the echo because there is not a veteran who is satisfied with the treatment he has received from those men.

We hear it said: Oh, but there are veterans from the first war or from this war who are on the board. That is all right. I know that those men deserve consideration, but it does not follow that because a man has served his country well during the first war or during the present, he is a universal genius. We know that the civil service preference is used sometimes to give to veterans, simply because they are returned men, positions for which they are not qualified. I agree that the state should do everything for the returned men, but I say that we should put them in positions where they can render the greatest service to the state. Not only that, but it is not by putting a veteran in a position for which he is not qualified that the country is rendering service to the veterans. I know it is a most difficult problem but there should be a system of selection by which a man who is discharged from the army after serving overseas will be put in a position where he can render the best possible service to the community.

[Mr. Pouliot.]

The resolution deals with a lot of other matters. It provides for a department of veterans' affairs—

> . . . 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— .

Who are the other persons who will receive military pensions if they have not served in the previous war or in this war? It goes on:

> —and all such other matters as may from time to time be assigned.

Then it goes on to provide for the creation of a new department—with the old timber.

We have tried to find out the meaning and the purpose of this resolution. We have already stated in the House of Commons that those who have a right of priority over all other immigrants, all refugees, and all war guests in this country are precisely the veterans of the Canadian army. We moreover have the profound conviction that the first reforms to be made should be to improve the functioning of the Department of Pensions and National Health, and that they should start with the army itself. We have amply shown to the house that military doctors have often put in category "A" draftees who were physically unfit. I have put my files at the disposal of the Minister of National Defence in asking for the elimination of all incompetence in the army medical corps. A soldier who is not in good health is only a useless burden to the army and to the taxpayers.

According to paragraph 2 of section 11 of the Pensions Act, soldiers who have been in service in Canada are entitled to a pension—

> . . . when the injury or disease or aggravation thereof resulting in disability or death in respect of which the application for pension is made arose out of or was directly connected with such military service.

When a soldier is put in category "A" or "B" by the medical examiner and taken into the army and is afterwards put in a lower category or discharged, is there not a presumption that that soldier is entitled to a pension in virtue of the law? If he was in good health before his enlistment or training and then afterwards he was declared physically unfit upon discharge, is it not to be presumed that he contracted that disability during his military service? That is the reason why it is so difficult for military doctors to admit their errors of diagnosis in their speedy examinations. Certain officers show a zeal that is untimely and uncalled for in suggesting to soldiers who are physically unfit that they sign their application for discharge and resign

from the army without any provision being made for a pension. Such officers pretend that they are doing this to save the taxpayers' money.

Here is an actual case. A man was found unfit and the officer came to him and said: "Now sign your discharge application," and the soldier signed it. Then he lost all his rights to a pension. That is robbery. It is most unfair to the man, and while the officer says he is saving money to the country, actually he is depriving the man of the pension to which he is entitled. It is a grave injustice to the soldier, and it is precisely to protect themselves against this sort of thing that many soldiers who could easily obtain their discharge stay in the army because, if discharged, they could not get a pension. That is a fact which anybody who is in contact with the soldiers knows. It may be denied by the officials of the department. The minister may say that I am wrong, but I know that what I say is correct because I am in contact with the men themselves.

Let me recall the case of the soldier whose regimental number was changed from E554765 to E109063. He had just received the last rites of the church at the camp, and while he was at the last extremity some officer made him sign his resignation from the army, thus depriving his widowed mother of his pension. He died a few days afterwards. His mother was an old widow whom I knew well. I wrote to the minister and asked him to reconsider the case, and on my representations he ordered that the mother should receive a temporary pension of forty dollars a month. I give credit to the minister for that. I appealed to his good heart and he realized that it was a case of patent injustice. But I think the pension of forty dollars a month should be paid personally by the officer who went to that man when he was ill and made him sign his resignation from the army to deprive his mother of a pension.

The deputy minister of national defence forced a commanding officer in British Columbia to pay the fare of a soldier from British Columbia to Temiscouata county because the officer had not respected a ruling under the mobilization regulations. It was the right thing to do to punish the officer personally. In the meantime I give credit to the minister for the temporary redress he has granted in this case. But is it not shameful? This is one of the worst cases which has came to my notice. I do not know whether it makes any impression on the committee, but to me it is incredible that an officer should go to see a man who is so sick, and practically holds his hand to make him sign his resignation from the army in order to deprive the mother of a pension. Let us speak of veterans' affairs. This is a case where an injustice was done, and it was corrected by the minister, but if I had not seen to it, the injustice would still persist.

The creation of a new department will be of no use to the veterans so long as the necessary reforms are not made in the medical corps of the army, so long as certain unscrupulous officers are in a position to make soldiers renounce their rights to their pensions by having them sign documents which deprive them of assistance. What I have said indicates the two main reforms which are needed to safeguard the rights of veterans.

In March last, Mr. Millard W. Rice, of Washington, director of national service of disabled American veterans, congratulated the *American* magazine for having published an article by the Minister of Pensions and National Health entitled, "Canada Looks After Her Heroes". But newspapers have published photographs of a veteran, Joseph-Moise Robillard, of Billing's Bridge, who walked the streets of Ottawa as a sandwich-man with posters showing the way he was ill treated by the Department of Pensions and National Health when he returned from overseas.

There is also the case of veteran Peter A. Leclerc, who receives only $18.75 a month.

Veteran No. 4040395 in the last war went to England and France and was wounded in his right foot. He had a tumour, his foot is in very bad shape, and he cannot walk. In December, 1918, he was treated at the Red Cross hospital, Saffon Walden, England, for fracture of the foot. The pension commission decided first that the wound was anterior to his enlistment, but on appeal, it was decided that the wound was due to service, and his disability was fixed at five per cent, which gave him $3.75 a month for that invalidity. He tried twice to enlist in this war, but he was not accepted, he was found physically unfit, and was placed in category "C-1". Finally he obtained a temporary allowance of $20 a month.

A parish priest of the diocese of Rimouski has quoted the case of one of his parishioners, No. 23203 of the last war. This veteran served in the army from 1914 to 1919 in Canada, in England, in France and in Belgium. The parish priest wrote me that this man, having been at the front during the whole of the last war, came back unfit, suffering from the effects of gas. He has a pension of $7.50 and a veteran's allowance of $40, or $47.50 a month to provide for a family of twelve people.

Draftee E621251 was in very good health when he began his training. At Debert he contracted a bad case of the grippe, which finally affected his lungs. Finally he was discharged with two months' rest at home. The pension commission decided that he suffers from spontaneous pneumo-thorax, which arose during his service in Canada, but gives no right to pension according to section 11, paragraph 2 of the Pension Act, because the evidence does not establish that it is a consequence of his military service. Here it is admitted that he contracted this pneumothorax during his service; yet they deny him a pension. We have to fight that case, because it seems to me that the man should have his pension immediately, without any undue discussion.

Private E621922 had suffered from pleurisy of the right lung before his training. The military doctors accepted him just as he was. He was sent to Debert, where he had pleurisy of the left lung. While on leave he was X-rayed, and the plate was shown to the doctors at Debert, who told him that he could go home if he signed a renunciation of his pension. Actually he is convalescing at home, and the pension commission has not yet decided his case, which has continued since last year.

In October, 1942, soldier E100251 had shoes which were too small and injured his feet; his size was eight, and he had shoes which were sixes. He asked that they be changed, but the sergeant refused. He was kept on guard for several months wearing shoes which were too small for his feet. Finally he was taken to hospital, and was allowed five per cent for his pension, or $3.75 a month. He is a big man, and suffers so much from his feet that during whole weeks he is unable to work. He is the father of a family.

One of the saddest cases I have is that of E554528. While this draftee was doing commando drill he was required to ride a motorcycle at Valcartier. He had never been on it before; the non-commissioned officer put it in high gear; the motorcycle went forward while he was sitting on it, overturned, and the soldier broke his leg, the femur and tibia, in three places. Several inches of his tibia were so badly broken as to resemble dust. After six months in the hospital he walks with difficulty, using a crutch and a cane. On September 27, 1943, the Minister of Pensions and National Health wrote me, "I have now the pleasure to inform you that the Canadian pension commission has granted this soldier the right to a pension for fracture of the femur and the left tibia." We are now in mid-April, and the man has got nothing yet. He went to Quebec city to see a doctor, who first told him that it was of no use for him to go to the hospital again, but afterwards offered to admit him. The soldier said, "You told me it was of no use for me to go to the hospital. What I want is my pension. They cannot give me another bone to replace the part which has been broken."

I am quoting these and they are enough to show that what is most urgent for the rehabilitation of veterans is not the creation of a new department but a change of personnel. That is the reform which is urgent and which the army is asking for. To replace the present department of pensions by a new department, if the personnel is the same, would only change the place of the evil. To improve the conditions of the veterans it is not necessary to change the law. The only thing needed is to understand it and apply it according to its letter and spirit.

The soldiers I have met are all totally indifferent to fine promises that may be realized at the time of the millennium. All they want to know is what will happen to them the day they are demobilized.

Mr. KNOWLES: We of the Cooperative Commonwealth Federation would like to express approval of the general principle of establishing a department of veterans' affairs. From the point of view of efficiency of operation, we think it is a particularly good idea to bring all matters relating to veterans under the direction of one department, and because of that we have no hesitation in supporting the resolution that is before us at the present time. However, we want to point out that the creation of a new department, the setting up of machinery, and even the replacing of personnel in the department, as suggested by the last speaker, are not sufficient unless there goes with all these things a change of policy, and I would characterize the kind of change that is needed by using one word and saying that the policy should be far more generous in its treatment of veterans than has been the case thus far.

There are some things I should like to say of a general nature in connection with our proposal that the policy of the government towards veterans should be more generous, but before I do so I wish to report to hon. members something I learned a few days ago in the city of Winnipeg. I find that there are eight veterans of the present war on relief in that city, young men who have served in the forces, whose health or other conditions are such that they have had to be discharged, but for whom this government has made no provision. The conditions are also such that they are unable to secure employment. There they

are, eight men who have served in the forces during the course of the present war, young men, on relief in the city of Winnipeg.

Mr. MACKENZIE (Vancouver Centre): Are those the men referred to in St. Boniface?

Mr. KNOWLES: No. They are in Winnipeg, on the relief rolls of the public welfare department of that city. Their cases were brought to my attention by members of the city council who are on the public welfare committee, and these same members pointed out to me that the feeling of that committee and of the council as a whole is so keen on the matter that they are considering cutting these men off relief. Hon. members will recognize immediately that if this action is taken by the city council of Winnipeg it is not because the members of that council want to see these men destitute; it will be because they feel that something drastic should be done to bring to the attention of the government the shame that veterans of the present war, even now while the war is on, even while the government is talking about the wonderful things it is prepared to do for the men, even now while other departments are speaking of the need for man-power, should be on relief. So far as I know that action has not yet been taken by the Winnipeg city council, but I understand it is under consideration and it indicates how keenly the people of that area feel about this matter.

I said that we of this group heartily approve the policy of bringing under one department all matters relating to veterans, but none of us in this house should carry on under the illusion that by doing this by itself we shall satisfy the men in the armed services. What they are interested in is not the kind of machinery that we set up or even necessarily the personnel administering that machinery. What they are interested in is the policy behind it all and the results of that policy.

At the present time we are engaged in a terrific struggle. We are conscious of how important it is to the future of Canada that that struggle be won. Because of that recognition we are prepared to mobilize everything; we are prepared to spend all the money that is necessary. So far as this parliament is concerned, there is no limit at all. We are prepared to spend every dollar running as it does into billions, for the sake of winning the present war. That involves the payment of pay and allowances, provision of clothing, medical and dental services and other things to the men in the services; these things in thousands of cases represent far more than they had before they went into the forces. We are not only glad to do it; we feel it is our duty; we feel it is part of the price we must pay to make sure that we win the conflict in which we are engaged.

May I point out that so far as our future in Canada is concerned, of equal importance with the winning of the struggle in which we are engaged is the kind of men these chaps will be in the years that lie ahead after the war is over. If these men come back and are discouraged, disillusioned by policies that they feel reflect ingratitude or lack of appreciation of what they have done, it is not only a matter of the loss of a generation, so far as the men themselves are concerned, but the future of Canada as a whole will suffer.

I feel, therefore, that we in this parliament should realize that if it is necessary to spend millions and billions, as is now the case, to enable these men to defend the country, we must also be prepared to spend millions and billions, if necessary, to rehabilitate these same men physically, psychologically, economically and in every possible way to make sure that we shall not have any disillusionment or discouragement, any soured generation, in the period that immediately follows this war. I feel that generosity most certainly should be the keynote in the years immediately following the cessation of hostilities. All of us are aware, although we in the house cannot fully appreciate it, what these men are going through. We are aware of the mental upsets that are taking place, as our young men engage in operational flights, night after night. We can sense something of what it means to these people to go through the experiences in which they are now engaged.

To many of these young men, not only has it been a period of stress and strain, but also it has been one in which they have been given something to do, something to work, to struggle and to fight for, and, if necessary, to die for. In that sense it has done something for them. It has lifted many of them from the uselessness they had experienced in the thirties, and has made them feel that they are part of the life of Canada. If, after the experiences they have had, these men have to return to ingratitude or to a lack of appreciation, we shall be storing up for ourselves very real and difficult problems. I would hope that we in parliament would see to it that we tackle the problem of rehabilitating the veterans economically, physically, psychologically and in every other possible way. I would hope that we would tackle that problem as one which is every bit as important as the problem of the defence of our country.

There will be some who, while prepared to admit the justice of the cause, and that these men are deserving of proper treatment, will

complain that the spending of money will impoverish the country and will demoralize the men. May I point out that that has not been so during the war. We took these young men, many of whom were riding the rods and were unemployed during the thirties and, for purposes of war, we have made available to them more goods and services than they had ever dreamed of. That has not impoverished Canada. At the present time our country has a higher level of production and a higher standard of living than at any time in her history. Neither has that policy demoralized our men but, as I have already said, it has given them something to live, fight and work for and, if necessary, to die for.

I am convinced these same men will not be demoralized by generous treatment when the war is over. I am equally satisfied that Canada's economy would not be impoverished by such generous treatment. Therefore I express the hope that we will not imagine we have done a complete job merely by setting up more efficient machinery, as we are doing by bringing veterans' affairs under the direction of one department. We must go farther and, so far as our treatment of these men is concerned, we must infuse generosity into that policy. We must also realize that the problem of the rehabilitation of veterans is one of tremendous importance to the future welfare of our country.

While I am on my feet I should like to add my support so some things that have been said by other hon. members. I believe it was the leader of the opposition who spoke particularly about the constant use of the expression "pre-enlistment origin." It does seem to me that that is one place where generosity might be infused into government policy immediately. As members of parliament we have brought to our attention over and over again cases with respect to men who were accepted in the armed forces as "A-1", but who upon discharge are told that no pension is available because their ailments are of pre-enlistment origin. I need not stress the matter in this chamber because I am sure all hon. members know of many such cases. I am sure, too, that if the matter were put to a free vote of the membership of the house there would be no question but that there would be a wide change in policy in connection with the awarding of pensions to men discharged from the forces for medical reasons.

I would stress, too, the importance of liaison between the new department of veterans' affairs and the department of reconstruction, which it is proposed to set up. Indeed, to go farther, one might point out that there is need for special liaison between the department of veterans' affairs and the government as a whole, for if we are to be able on a long-term basis to do anything for the men discharged either now or at the conclusion of the war, it will depend to a very large extent upon our whole economy. It is exceedingly important that we pay particular attention to the whole problem of reconstruction, and I would urge a close liaison between the department of veterans' affairs and the department of reconstruction. In fact, more than a liaison is required. It is necessary that the government realize that any successful handling of the rehabilitation of veterans will depend upon the effectiveness of the reconstruction programme of whatever government is in power.

May I express the hope that when this new department is set up it will be the occasion for revising many of the details of administration of matters affecting veterans. At the present time our thoughts turn naturally to those who are now being discharged, and to others who will be discharged when this conflict is over. Let us not, however, forget the veterans of the last war. When I say that I do not mean merely that we should continue paying to them those pensions or allowances they are now receiving. Rather I urge that we give consideration to a revision of the Pension Act and the War Veterans' Allowance Act with a view to providing a better deal for those men who served a generation ago.

When the Minister of Pensions and National Health was speaking he made reference to widows who receive allowances under orders in council tied into the War Veterans' Allowance Act, but I did not hear clearly what he said. I would express the hope, however, that this might be the occasion for a revision of that act and a revision of the orders in council which govern the payment of allowances to widows of veterans of the last war. It is my hope that this might be the time when all these matters will be considered. I would hope that these matters might be brought to the new department of veterans' affairs, not just as a technical procedure of transferring from one branch to another, but with a view to bringing about an upward revision of the benefits and considerations given to these people. Hospitalization is another matter which must be thoroughly considered.

I have taken these few minutes to say that we in this group without any question welcome the introduction of this resolution. We agree that it is a good idea to bring under one department all matters relating to veterans, but we urge upon the government and hon. members generally that they must realize that is not the

whole story. What counts is the policy to be administered by the new department, and we urge that it be administered generously.

Mr. MACKENZIE (Vancouver Centre): The hon. member referred to eight cases on relief in Winnipeg. I had a report on March 3 from the superintendent of public welfare. Immediately we sent a welfare officer to Winnipeg to make an investigation. My information is that six of these are looked after. One is looking after a dependent mother, and his allowances are affected by that condition. The other two are problem cases, which I should be very glad to discuss with my hon. friend if he would be good enough to see me about them. I do not wish to mention the names here.

Mr. KNOWLES: If the minister is referring to the same cases I have in mind, I am very glad something has been done about them; I heard about them only last week. If it is true that the efforts of the Winnipeg city council in behalf of these men have resulted in action being taken, that is fine, but it is too bad it was necessary for that sort of action to be taken.

Mr. MACKENZIE (Vancouver Centre): Will my hon. friend give me the names privately some time?

Mr. KNOWLES: Yes.

Mr. FAIR: I do not consider it necessary to enter upon a long discussion of soldiers' affairs at this time, since I believe we shall be given ample opportunity for discussion on the motion for second reading of the bill, and also when the bill is being considered in committee, but I believe, it is our duty to talk freely openly and frankly. In past years we have discussed at great length what we were going to do for our veterans when they came home. Now we are trying to put something in the form of legislation, and I hope that legislation will not be a let-down to the men and women who will be coming back from the fight in the very near future. We in this group welcome the introduction of his resolution. We believe that much can be done by having all veterans' problems under one administration, and for that reason we are going to support this measure. Personally I believe the present Minister of Pensions and National Health should be and will be in charge of this new department. I believe he has the welfare of the veterans at heart; he is himself a veteran of the last war and has had brought to his attention many of the unnecessary hardships which have been endured by those who came back from great war No. 1.

One of the first things that should be done after this new department is organized is to get rid of some of the blots that now appear on the record of the administration of the problems of soldier settlers in this country. I hope that in the very near future either the Prime Minister or the Minister of Pensions and National Health will tell us that clear title is being granted to those veterans of the last great war who have remained on the land. I am not going to discuss this point at length to-night; I intend to discuss it on the second reading of the bill. When the motion for second reading is before the house I intend also to offer some suggestions with regard to the improvement of the Veterans' Land Act. If those who are to be settled under that act are to make a success of their venture I feel that some improvements are necessary; and if we are to take advantage of the experience gained under the old soldier settlement board legislation, I believe we must make some drastic changes in the Veterans' Land Act. When the new crop of veterans returns I think we shall have rather a different problem to deal with than we had in connection with the veterans of the first war. This time we shall have to deal with a number of highly educated men and women, as a result of the work they have been doing. The cream of the country have been enlisted and sent overseas. When these men and women come back we shall have many discontented individuals with whom to deal, and unless their problems are properly dealt with, this country can look for trouble, which can be avoided if the government will do the job right.

The question of the clothing allowance was brought up by the leader of the opposition. Just in the past three or four days, when returning to Ottawa, I discussed this question with men of the three services, and I hope that in the very near future the government will see fit to raise that allowance from $65 to at least $100. We have shown the men and women of our armed forces that when they are on active service we can provide them with more than one uniform. Therefore, let us see to it that they are given more than one suit of clothes when they resume civilian life. Then I believe it will be necessary to provide positions which will guarantee these men and women a decent standard of living, and when I say "a decent standard of living" I mean just that. I realize that the Prime Minister and the Minister of Pensions and National Health have not ventured into the sphere of the full life, but I trust that they will not subject the returning men and women to allowances only as individuals. These men and women must be provided with a living for

married couples and families, and I hope the government will see to it that jobs are provided which will guarantee these people that decent standard of living for themselves and their families.

Mr. WHITE: I should like to add just a word to what has been said already. I am sure all hon. members will welcome this change if it is to be for the good of the returned soldier. For a long time I have felt that most of the difficulty lies in the administration of the Pension Act. No doubt the provisions of that act are wide enough to cover all cases, but I am sure all hon. members have had cases brought to their attention which show that in many instances the intent and purpose of the legislation are not being properly carried out. I should like to draw to the attention of the minister the very long delay that takes place in dealing with claims for pensions in the present war. It seems to me that at the present time the number of pension applications being dealt with must be very small. Therefore it is difficult to understand why, after the soldier is discharged, there should be such delay before he has his pension board and a decision is reached. Then, if there is an appeal from that decision there is another very long delay before the appeal is heard. I also hope that when this bill is in the committee stage the minister will be able to give the house and the country a statement as to what has been done to improve the conditions that existed at Christie street hospital last year. I hope he will be able to tell the house that many changes have been made, both in the way the hospital is run and in the conditions under which soldiers have to obtain treatment there. I think the house also will be interested to hear from the minister how far along the plans are for the new hospital at Sunnybrook.

I do not like to repeat what has been said already, but I wish to concur in the remarks of the leader of the opposition on one very important matter. I refer to the onus of proof being on the soldier, who has to prove his claim before the pension board. It has always seemed to me that pensions are handed out to returned soldiers in a most grudging manner, as though it were an act of charity. A pension to a returned soldier is something to which he is legally entitled, and I shall always contend that the onus of proof should be on the pension department, because when a man joins the armed forces he passes a most rigid examination, in the course of which he is often examined by at least three doctors. He is X-rayed and he must pass the most rigid examination. As has just been said by the hon. member for Winnipeg North Centre (Mr. Knowles), in too many of these cases where a man goes before the pension board he receives in due course a letter which is already printed and which states that his disability was not due to war service, but is a pre-enlistment disability. I cannot understand why a private or a non-commissioned officer should have to fight the entire pension board. Everything seems to be set against him before his case is even heard.

Once a man is accepted in A-1 category I think it is only fair and just that any future disability should be considered a disability attributable to war service. There have been many soldiers in this war who have suffered from mental and nervous conditions, and I hope that when the bill is before us the minister will give us the number of these cases and whether they are being reviewed. In reply to a question which I asked some time ago a return was brought down which stated that the scale of pensions had been set some fifteen or so years ago and that there had been no change in the scale or rate of pension since that time. Since 1939 cost of living bonuses have been paid and other financial arrangements have been made for other people, but there has been no change in the rate of pension paid to soldiers. The pension for total disability is still $75, the same as it was when it was set fifteen years ago.

I should like to say a word about what the hon. member for Temiscouata said. He claimed that his county has supplied more recruits for the armed forces of Canada than any other county in Canada. Each one of us likes to feel that his county has supplied the largest number of recruits, and I think it would be most interesting and instructive if the Minister of National Defence once and for all would break down the statement and give us the exact number of enlistments by provinces.

In conclusion, I should like to bring to the attention of the minister the question of clothing allowances. It seems unfortunate that in many of these cases changes are made only when it is too late. First I should like to refer to the clothing allowance granted to officers. Up until some two or three months ago when a man received a commission he was given a clothing allowance of $150, and this was increased at that time to $250. However, as usual the change was not made retroactive. The number of officers who will now be taken into the army must necessarily be quite small. When the estimates of the Minister of National Defence under the war appropriation bill were before the committee

I asked the minister if he would place on *Hansard* the means by which the department figured out the amount of $65 allowed to a soldier to refit himself for civilian life, but the minister did not care to do so. I appreciate what the minister said a moment ago that the matter of clothing allowance does not come under his department; yet this question is tied up closely to soldier rehabilitation. I trust that when the bill comes down the minister will be able to tell us that he is at least going to take up this matter and attempt to do something about it. There are other matters having to do with benefits to soldiers which I could take up, but I shall leave them until the bill is before the house.

Resolution reported, read the second time and concurred in. Mr. Mackenzie King thereupon moved for leave to introduce bill No. 83, to establish a Department of Veterans' Affairs.

Motion agreed to and bill read the first time.

UNITED NATIONS

RELIEF AND REHABILITATION ADMINISTRATION—IMPLEMENTATION OF AGREEMENT OF NOVEMBER 9, 1943

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved that the house go into committee to consider the following resolution:

That it is expedient to bring in a measure for carrying into effect the agreement for the establishment of a united nations relief and rehabilitation administration, signed on the 9th day of November, 1943, and to provide that interim expenditures not exceeding $10,000,000 for carrying out the said agreement be defrayed out of moneys provided under the War Appropriation (united nations mutual aid) Act, 1943, and that all other expenditures incurred in carrying out the said agreement be defrayed out of moneys to be voted by parliament.

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

Mr. MACKENZIE KING: Mr. Chairman, the purpose of the bill which will be based upon this resolution is to enable the government of Canada to give effect to the agreement for the establishment of the united nations relief and rehabilitation administration. This agreement, to which the united nations were the signatories, was signed in Washington on November 9, 1943. The text of the agreement appears as a schedule to the bill. On June 18, 1943, I made a statement at some length on the draft agreement for the establishment of a united nations relief and rehabilitation administration. The draft agreement was printed in *Votes and Proceedings* of that day. On January 28 of this year I tabled a copy of the agreement itself, as signed in Washington on November 9, 1943. This will be found in the treaty of Canada series, 1943, No. 16. It is therefore not necessary to do more at the present than to mention the most important features of the agreement.

I should first of all like to say that a meeting of the council of the united nations relief and rehabilitation administration took place in Atlantic City from November 10, 1943, to December 1, 1943. The head of the Canadian delegation was Mr. L. B. Pearson, minister-counsellor, Canadian embassy at Washington. The alternate was Mr. Brooke Claxton, M.P., member for St. Lawrence-St. George, who is parliamentary assistant to myself as president of the privy council. The other delegates were the Hon. Cyrille Vaillancourt; Mr. George Bouchard, assistant deputy minister of Agriculture; Mr. John Deutsch of the Department of External Affairs; Mr. A. W. Plumptre, financial attaché of Canadian embassy, Washington; Mr. George Patterson of the Department of Agriculture, and Dr. L. B. Pett, of the Department of Pensions and National Health.

The united nations relief and rehabilitation administration has been set up in the expectation that the military victory of the united nations will be followed by a period during which many, if not all, of the countries liberated from the enemy in Europe and in the far east will stand in need of assistance in the form of food, clothing and other basic necessities.

The period in question is distinct from the period prior to military victory during which relief in various forms will have to be administered by the military forces of the united nations as part of the operations of war. The UNRRA will begin its work in each area as soon as it is practicable for it to take over from the military authorities. The form of its activities within the territory of a member government in which that government exercises administrative authority is to be determined after consultation with that government and with its consent.

The main purposes of the united nations relief and rehabilitation administration are:

(a) To plan, coordinate, administer, or arrange for the administration of measures for relief of victims of war in any area under the control of the united nations through the provision of food, fuel, clothing, shelter and other basic necessities; medical and other essential services.

(b) To formulate and regulate measures for individual or joint action by any or all of the governments for the coordination of purchasing, the use of ships and other procurement activities;

(c) To study measures proposed by any member government for individual or joint action by any or all of the member governments and make recommendations on the basis of its experience in planning and performing the work of relief and rehabilitation.

The bill based on the resolution empowers the governor in council to do whatever may be proper and expedient for giving effect to the agreement. The agreement is limited to setting up the administration, and the operative action will be taken by the UNRRA council and its committees. It is, therefore, also provided in the bill that the governor in council may do whatever is proper and expedient to give effect to any resolutions of these bodies made in carrying out the provisions of the agreement.

The council, which is the policy-making body of the administration, consists of one representative from each member government. The central committee of the council consists of the representatives of China, the Union of Soviet Socialist Republics, the United Kingdom, and the United States of America, with the director general of the UNRRA presiding without vote. Between sessions of the council this committee may make policy decisions of an emergency nature.

Mention should be made of another committee of the council, the committee on supplies, which consists of the members of the council representing those member governments likely to be principal suppliers of materials for relief and rehabilitation. Canada is obviously one of these countries and when the committee on supplies met, the Canadian member was chosen as chairman. The Canadian member was Mr. L. B. Pearson, the Minister Counsellor at the embassy at Washington. This committee is of particular importance because of the provision that the central committee of council shall invite the participation of the representative serving as chairman of the Committee on Supplies of the Council, at those meetings at which policies affecting the provision of supplies are discussed.

Article V of the UNRRA agreement provided that, in so far as its appropriate constitutional bodies shall authorize, each member government will contribute to the support of the administration. At the first session of the council, which was held in Atlantic City, New Jersey, from November 10 to December 1, 1943, it was recommended that each member government whose home territory has not been occupied by the enemy should make a contribution for participation in the work of the administration approximately equivalent to one per cent of the national income of the country for the year ending June 30, 1943, as determined by the member government. It was further recommended that as much as possible, but not less than ten per cent, of the amount contributed by each member government should be in such form of currency as can be expended in areas outside of the contributing country; and that the balance thereof should be in the form of a credit in local currencies which should be available for the purchase of the contributing country's supplies and services.

[Mr. Mackenzie King.]

When the Mutual Aid appropriations for 1944 are introduced provision will be made for the Canadian contribution to UNRRA. The present bill provides that interim expenditures, not exceeding $10,000,000, incurred in carrying out the agreement may be defrayed out of moneys provided under the War Appropriation (united nations mutual aid) Act, 1943. The purpose of this provision is to enable Canada to make a cash contribution at once for the administrative expenses of the organization in Washington, and to finance any orders for supplies that may be placed in Canada before next year's appropriation is voted.

It is particularly fitting that Canada should act promptly in this matter. Among the active belligerents Canada is one of the countries which have suffered the least material damage in the course of the war. The Canadian people, moreover, are well able to realize the enormous importance of relief and rehabilitation, not only from a humanitarian standpoint, but in order that the full fruits of victory may be garnered, and conditions established in which the constructive measures essential for the creation of a better world order can be undertaken.

I should add that the United States congress and the parliament of the United Kingdom have respectively approved of their countries contributing one per cent of national income for united nations relief purposes. I believe what I have said covers what is essential for the committee to know in connection with the resolution and the bill to be based upon it. As I have mentioned, the hon. member for St. Lawrence-St. George, the parliamentary assistant to myself as president of the privy council, was an alternate representative at the meeting which was held at Atlantic City, and he is very familiar with all aspects of this important matter. During the course of the discussion he perhaps may wish to add something to what I have said.

Mr. GRAYDON: The interim expenditures not exceeding $10,000,000 to carry out the agreement does not represent more than one per cent of the gross national income?

Mr. MACKENZIE KING: I think the statement is correct. I am giving the committee the information that the officials of my department give me. When we come to the bill itself, if there is any change needed, I shall be glad to see that it is made.

Mr. GRAYDON: I find I was wrong in my calculations with respect to the one per cent.

Mr. STIRLING: Mr. Chairman, if I remember aright, there are forty-four nations included in this arrangement. The Prime Minister has referred to the fact that there has been one meeting of the council. I wonder whether anything like forty-four nations were represented at that meeting, and whether it will be humanly possible in the future to hold meetings at anything like regular intervals of the representatives of so large a number of nations.

The Prime Minister also mentioned, as though it were an executive body, the representatives of the four nations, China, the Soviet, the United Kingdom and the United States. I take it that they will take charge of the necessary implementing of policy when it is not possible for the larger body to meet.

There are also to be two regional committees, of one of which Canada is a member—a collection of nations among the allied nations who are contributors and will be recipients. Canada, Brazil and the United States are included in the European regional bodies, are they not? But Canada is not included in the other regional bodies which take in the Asiatic and Pacific nations which will be recipients. I wonder how possible it will be for those various bodies to meet at anything like stated intervals and with sufficient representation of the nations interested; and where they will meet; and with regard to the sub-committees—technical affairs, supplies, and a third whose name I forget at the moment. Canada is particularly interested in the one dealing with supplies because the chairman chosen is a representative of the Department of External Affairs. Has that committee already located an office for itself, and set up and started the investigational work which, I take it, alone is possible at the present time, for I think that the preliminary operations of these various committees are largely those of collecting information, finding out what supplies will be available, and being ready when the time comes to give that information to the full council?

Mr. CLAXTON: If I may answer the hon. member: it should be understood that the policy-making body of the united nations relief and rehabilitation administration is the council. That corresponds in a sense to a legislative body.

Mr. STIRLING: The forty-four nations?

Mr. CLAXTON: The council consists of one representative of each of the forty-four nations. At the first meeting of the council, held between the 10th of November and the 1st of December at Atlantic City, all the forty-four nations were represented; all of them took a very active part; and the committee can appreciate the extent of that representation when I say that there were 374 representatives of the forty-four nations present. Some of the delegations extended to twenty or thirty members; no country was represented by less than three or four. The second meeting of the council is to take place at Montreal on the 23rd of June, and it is expected that all forty-four nations will be represented there.

The Prime Minister referred in the house to the desire of all Canadians to welcome UNRRA and our satisfaction that the first meeting of the council outside the United States should be held in Canada. If I may be permitted I should like to express my own pleasure, because it is going to be held in the division which I represent, and I had something to do with the preliminary arrangements.

With regard to the committees of UNRRA, the committee on supplies, to which the hon. member referred, has as chairman Mr. L. B. Pearson. That committee's function is defined by the agreement; it is that of advising generally on policies relating to supplies. The committee has met so far at Washington; it has held a great number of meetings, certainly more than ten when I last heard of it; and it is very active in advising the administration on supply questions.

Mr. STIRLING: There is something like a score of representatives on that committee, is there not?

Mr. CLAXTON: There are eleven representatives of the principal supplying countries and also one or two representatives of recipient countries. I could give the names of the countries if the committee wants them. In addition, there is the regional committee for Europe, which has on it the members of the council representing the countries located in Europe, and in addition, as the hon. member has said, three members representing the principal supplying nations—the United States, Brazil and Canada. That committee has met in London, where it has a secretariat and is established. It is a going concern, and its function is to survey relief requirements and forward them to the administration's headquarters at Washington. The regional committee of the far east consists of the countries situated in the far east. I

do not know whether that committee has met yet. The situation in the far east is far more uncertain than it is in Europe.

Mr. STIRLING: Is India represented on that?

Mr. CLAXTON: India is represented on that one. The administration itself has its headquarters at Washington, and there is seated the headquarters and executive of the administration under its director general, the former Governor Lehman, who has been in active control of its affairs ever since he was appointed by the unanimous vote of the nations at Atlantic City.

The administration is a going concern. As the hon. member indicated, its principal purpose now is to survey requirements and make its claims on the combined boards for requirements. That work is actively being carried on. A very large part of the staff necessary to do the work has been recruited. At the same time the work is being carried on in London with relation to requirements for Europe. So that the work of UNRRA is actively being carried on to-day.

Mr. KNOWLES: Could the Prime Minister or his parliamentary assistant give some idea of the proportion of this ten million dollars which is required for administrative purposes and the proportion which is allocated for the purchase of Canadian goods? I believe the Prime Minister said that the money would be divided between these two purposes.

Mr. CLAXTON: The administrative budget of UNRRA was approved by the council at its first meeting at Atlantic City and it totalled ten million dollars. That was the estimate made by the director general in the light of the information then available to him. The total income that UNRRA expects to receive in consequence of the contributions of the member nations is in the neighbourhood of $2,000 millions, so that hon. members can easily calculate what portion of the total income of UNRRA is to be spent in administrative expenses.

Mr. KNOWLES: And the administrative budget is allocated in proportion to the contributions?

Mr. CLAXTON: That is not quite so. The administrative budget is allocated between the countries on a different basis from their contributions. I can give my hon. friend some information as to the basis arrived at if he wants it. The proportion of the administrative expenses payable by Canada is three per cent of the total of ten million dollars, but Canada, in making her contribution, can count the amount allocated to her in the administrative budget on account of the total that Canada decides to give.

Mr. DIEFENBAKER: I should like to ask a question with regard to administrative staffs. From a reading of the debates in the United States it is indicated that quite a number of persons are being trained there for the purpose of taking positions in the administrative staffs. I should like to know whether any Canadians are being trained to-day, and the numbers of Canadians who may reasonably be expected to secure positions once the administration is in full swing, also the qualifications for the positions in connection with the administration.

Mr. CLAXTON: One of the resolutions laid down at Atlantic City by the council was that the staff should be recruited as a genuine international staff. I can quote the resolution if my hon. friend wants it. So far as I know, that resolution is being carried out by the administration. Director general Lehman, in recruiting his staff, is endeavouring to secure the people who are best qualified to do the job, without regard to the country which they represent. But at the same time he is endeavouring to see that the genuine international character of the staff is maintained. The list of the deputy directors general would indicate that. Sir Arthur Salter is the senior deputy director general. He is a member of the British house and a former minister of the crown in the United Kingdom, having great experience in transportation and other work. The other deputy director generals, I believe, come from seven or eight different countries. Sir Frederick Leith Ross is deputy director general for Europe, and a Canadian, Mr. Van Gelder, is deputy director general in charge of administration. There are a number of other Canadians on the staff of UNRRA already. When it is said in the newspapers that UNRRA is recruiting a staff for training for service abroad, I think the newspapers are rather in advance of the administration in that regard, because so far the administration has not been actively engaged in recruiting staff for service abroad. It has been engaged in organizing its work at Washington. To-day it has most of the staff necessary to carry on all the work it is carrying on. I am not quite sure how many additional people will be required, but if any Canadians do wish to apply they should apply directly to the UNRRA administration at duPont Circle building in Washington and their applications will be considered like anyone else's. It is not expected that any staff will be recruited by UNRRA for service in Canada.

Mr. STIRLING: Will the deputy directors to whom the hon. gentleman referred remain resident in their own countries and be contact points for Governor Lehman, or will they come and live in Washington and do their work there?

Mr. CLAXTON: That will depend entirely on their functions. In the case of Mr. Van Gelder and the others having to do with either survey of requirements or provision of supplies or administration or personnel or finance, they will be located at Washington, but the deputy director generals engaged in the survey of requirements, such as Sir Frederick Leith Ross, will be located in London, and there will be others located in various countries in Europe when it is possible for them to get there. Similarly in the far east, their locality will depend on their functions. At the present time the majority of the senior personnel as of other personnel administration are located at Washington.

Mr. ROSE: There have been disquieting rumours to the effect that the military authorities have been holding back UNRRA from going into action. A few months ago I heard that they were told to go to the far east and to leave Europe alone. These statements may be only rumours, but they are going around and people believe them, and perhaps they have reason to believe them. Certain military leaders have said, "After we are finished with our military activities you people can step in." Well, that may be a long time, and in the meantime the situation in Italy has proved that if UNRRA had gone in in the first place, instead of leaving it to Amgot to look after feeding and supplying the people with the necessities of life, the situation in Italy might have been better.

Disquieting rumours are going around even to the effect that some of those belonging to UNRRA have become quite pessimistic. I am not making this statement because I am opposed to what UNRRA intends to do. In fact, we should all welcome every measure that is brought forward to help the people of Europe to rehabilitate themselves. Our own prosperity depends to a large extent upon what happens there. If there are people who are holding back UNRRA from going into action, it will be necessary for the government of Canada to speak up and to protest against those elements that tend to retard things.

There was a disquieting editorial in the Toronto *Star* in which it was said that the meeting of UNRRA which was to have taken place at the Seigniory club would not be held there for reasons of anti-Semitism and consequently they had to go elsewhere.

Mr. MACKENZIE KING: Nonsense.

Mr. ROSE: I am quoting from the Toronto *Star*. This appeared in an editorial. I am glad to hear that it is not so, though, as I say, I am quoting from that newspaper.

I have read of the history of the Hoover commission and it seems to me that they got entangled in the political situation in Europe, with unfortunate results, because quite often, instead of supplying food to those who were in need, they devoted their attention to those elements that formed reactionary movements in Europe. I suggest that we should have progressive, broad-minded leadership in this matter so as to avoid political interference on the part of UNRRA in Europe.

There are many more problems in connection with UNRRA which I should like to discuss, but I will leave it to a later stage. We are all interested in these questions. For instance, there is the problem of UNRRA in relation to the Ribar and Tito Assembly in Yugoslavia. We must look upon that as a very serious matter, and then again there is the problem of UNRRA in relation to certain sections of China, especially in the area controlled by the Fourth and Eighth Route armies. There is a good deal of suffering there, although these people fight against a substantial part of the Japanese army. They are not getting medical or any other relief from the Chungking government. These are all matters that will have to be discussed when the bill is presented.

Mr. CLAXTON: I should like to answer some of the remarks made by the hon. member for Cartier (Mr. Rose). He has referred to certain rumours and I think I should deal with them. In the first place he mentioned the failures to go to the Seigniory club to hold the meeting there, on the ground that the club did not admit people of the Jewish faith. I can say at once that there is not a word of truth in that rumour. I was present with the representatives of UNRRA when they interviewed representatives of the Canadian Pacific hotels in Montreal, and when we spoke about the Seigniory club they said it was out of the question because the premises could not accommodate a meeting of that size. No other reason was given, and if you appreciated the size of the conference and contemplated the demand for meeting rooms, you would recognize at once that the Seigniory club is not a suitable place. The Windsor hotel was chosen because it had suitable accommodation.

With regard to the rumour that UNRRA is not allowed to enter the field because of difficulties with the military authorities, there are no difficulties that I have heard of, and I am assured by our representatives at Washington, and by the chairman of the committee on supplies, that there is the closest cooperation. Misunderstanding occurs by reason of a misapprehension of the agreement. Article 7 reads:

> Notwithstanding any other provision herein contained, while hostilities or other military necessities exist in any area, the administration and its director general shall not undertake activities therein without the consent of the military command of that area, and unless subject to such control as the command may find necessary. The determination that such hostilities or military necessities exist in any area shall be made by its military commander.

That is part of the agreement signed by forty-four nations, and hon. members will recognize that that is an essential condition for the operation of relief in an area that is liberated. That provision is supplemented by various resolutions passed at Atlantic City.

Finally, my hon. friend referred to the use of relief supplies for political purposes. Two resolutions prohibiting that were adopted by council. It is the intention of all the nations who are members that it shall be prohibited and, so far as the administration can do it, that will be done.

Mr. BLACKMORE: I should like to know whether the food and other supplies to be advanced to needy nations are to be given to those nations, or only lent to them? For instance, we will suppose that France asks for assistance under UNRRA, and we will say that assistance to the extent of $50,000,000 is given. Is that given, absolutely, or is it only advanced with the idea that at some time France will pay it back?

Mr. CLAXTON: The relief is to be made available to countries needing it, as they are liberated, and as they come within the terms of the agreement, without regard to their ability to pay. But a resolution adopted at Atlantic City provided that countries which are able to pay for relief will pay for it. France is such a country, as was indicated by their representatives at Atlantic City. She expects to pay in international currency, from resources which she has available outside France, for all the relief she gets. That is true of three other nations. They will pay for the supplies they get. But their requirements will be cleared through the combined boards, after consultation with the administration. So that the administration will look at the overall requirements of all the nations requiring relief, and see that they are met proportionately in accordance with the need.

Mr. BLACKMORE: Some nasty rumours have come to my notice, and I shall mention one or two of them. All one has to do is to read some of the current literature, and he finds enough proposals to make a person's hair turn gray. We hear suggestions on what is to be produced, what is not to be produced, where it is to be produced, whether there will be a high or a low tariff, and on what commodities, what the financial policy shall be, and whether there will be a central bank—and so on, and so on. I would like to know this: is it proposed to require that any applicant submit to any such restrictions, or any such agreement? I am very much concerned, because if this thing is being used—and I have heard such a rumour—to bludgeon the needy nations into an agreement to certain pernicious commitments, that is something which should be fully known. And this parliament is in duty bound to see to it that no such condition exists.

Mr. MACKENZIE KING: Mr. Chairman, I feel I ought to say a word to my hon. friend in regard to what he has just said. In the first place, I think it would be wise not to attach too much importance to rumours. By stressing rumours certain impressions grow, and in the minds of some people they become convictions. It would indeed be a great misfortune if those countries in Europe, which are suffering the worst possible kinds of torture, should have added to their agony, as coming from the parliament of Canada, even the thought that this or other governments with which they are connected were seeking not to assist them in their distress but were bludgeoning them. I am sure my hon. friend does not attach much importance to those rumours, and I hope he will not lend his position to giving emphasis to them by even assuming for one moment that they could possibly be correct.

Mr. BLACKMORE: I think the Prime Minister will agree it would be a great deal more calamitous if nations did unsuspectingly commit themselves to an agreement the full implications and extent of which they did not appreciate, and then found themselves suffering, after it was too late to effect a remedy. In consideration of the fact that so many different kinds of proposals have been put forward in so many different magazines, proposals purporting to be of authentic origin, I say the fullest, frankest and most definite understanding should be had by all members of parliament, and all nations of the world. I do not think there is any doubt that there

is a body of men who are seeking to use this war, and the peace which will follow the war, to foist upon the world a set of conditions which will make a worse mess than we have ever known before.

Mr. MACKENZIE KING: There are scoundrels and skunks everywhere.

Mr. BLACKMORE: Exactly; and we want to find out where those scoundrels and skunks are, so that we may draw their teeth.

Mr. MACKENZIE KING: That is right.

Mr. GRAYDON: Well, that would not do much good, so far as the skunk is concerned.

Mr. CLAXTON: It would be unfortunate if the impression were to get abroad that the administration could be used for the purposes indicated in the rumours mentioned by my hon. friend. Forty-four nations were represented at Atlantic City. This was my first experience at an international conference in an official capacity, although I have been at many of them unofficially. I can assure the committee that nations could not have worked together in greater harmony than did the nations at the Atlantic City conference. The attitude throughout was one of complete cooperation. They recognized that they had a big job to do, and they set up the administration to do it. The atmosphere was one of whole-hearted cooperation by the nations to do a job which they could do only through working together.

Resolution reported, read the second time and concurred in. Mr. Mackenzie King thereupon moved for leave to introduce bill No. 84, for carrying into effect the agreement for united nations relief and rehabilitation administration between Canada and certain other nations and authorities.

Motion agreed to and bill read the first time.

Mr. SPEAKER: When shall the bill be read a second time?

Mr. MACKENZIE KING: Mr. Speaker, I do not wish to press hon. members unduly, but this is a short bill. The agreement is attached. It has been before the house for some months. I believe what has been said with respect to the resolution covers practically everything that is likely to be said on the bill. If the house would grant its consent we might proceed with the second reading.

Mr. BLACKMORE: I am sorry, but I cannot consent to second reading until I have a chance to see the bill. This is a very important measure.

Mr. MACKENZIE KING: All right.

Mr. SPEAKER: Next sitting of the house.

JUDGES' ACT

AMENDMENT TO PROVIDE FOR SALARY OF THIRD JUDGE OF THE EXCHEQUER COURT OF CANADA

Hon. L. S. ST. LAURENT (Minister of Justice) moved that the house go into committee to consider the following resolution:

Resolved, that it is expedient to introduce a measure to amend the Judges' Act to provide for the salary of an additional puisne judge of the Exchequer Court of Canada.

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

Mr. ST. LAURENT: Mr. Chairman, this is a resolution asking for leave to introduce a bill to carry out the terms of a bill to which royal assent was given on March 31, amending the Exchequer Court Act and providing for the appointment of an additional judge to that court.

Mr. GRAYDON This is the companion bill?

Mr. ST. LAURENT: This is the companion bill to amend the Judges' Act to provide the salary for the additional judge of the exchequer court. The bill will merely change the Judges' Act by taking out the words, "a puisne judge, $9,000" and inserting the words, "two puisne judges at a salary of $9,000 each." That is the sole purpose of the measure.

Resolution reported, read the second time and concurred in. Mr. St. Laurent thereupon moved for leave to introduce bill No. 85, to amend the Judges' Act.

Motion agreed to and bill read the first time.

Mr. SPEAKER: When shall the bill be read the second time?

Some hon. MEMBERS: Now.

Mr. GRAYDON: Would there be any objection to allowing this motion to stand for the time being? I think perhaps we would like to see the bill.

Mr. SPEAKER: Next sitting of the house.

CANADIAN NATIONAL RAILWAYS

PROVISION TO MEET CERTAIN EXPENDITURES AND GUARANTEE OF SECURITIES AND INDEBTEDNESS

Right Hon. W. L. MACKENZIE KING: (Prime Minister) moved the second reading of bill No. 64, respecting the Canadian National Railways and to provide for the refunding of matured, maturing and callable obligations.

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

On section 1—Short title.

Mr. GRAYDON: Is this bill in the same terms as the last bill of the kind that was passed by parliament?

Mr. ABBOTT: Yes, Mr. Chairman; the terms of this bill are identical with those of the last refunding bill, which was passed in 1938.

Section agreed to.

On section 2—Power for refunding.

Mr. BLACKMORE: May I ask if any considerable number of these bonds are held in Britain, or outside Canada?

Mr. ABBOTT: I cannot give my hon. friend the information as to what portion of these maturing securities are held in Britain. When the measure was in the resolution stage I pointed out that the great bulk of the perpetual issues of the C.N.R. which had been held in Britain had been redeemed since the beginning of the war, leaving a comparatively small number outstanding. Speaking from memory, I think the great majority of the Canadian National issues held in Great Britain have been repatriated, but I am not in a position to give my hon. friend definite figures as to that at the moment. I did not anticipate that this question would be asked, and I have not the figures before me.

Mr. HARRIS (Danforth): Perhaps the parliamentary assistant could inform the committee why they project this so far into the future. This goes beyond 1953, though if I remember correctly they still have some $75,000,000 left from the previous transaction, which involved some $200,000,000. Why is it necessary to project this so far into the future?

Mr. ABBOTT: I do not think $75,000,000 is left from the previously authorized issues. As I remember it, two issues mature either this month or within the next two or three months. There either have matured or will mature during the period contemplated by the previous bill securities totalling $196,220,709.23. As to projecting oneself so far into the future, this bill is for $200,000,000, the same amount as the previous bill, as my hon. friend will recall.

Mr. HARRIS (Danforth): The previous $200,000,000 was not all used up.

Mr. ABBOTT: No; a very small portion of the amount authorized under the 1938 act is still available.

Mr. HARRIS (Danforth): Quite a substantial portion. What portion is left over?

[Mr. Mackenzie King.]

Mr. ABBOTT: Including the maturity on May 1, 1944, of $35,000,000, the Canadian National Refunding Act, 1938, will then have been availed of to the extent of $196,220,709.23, which would leave roughly $4,000,000 available.

Mr. HARRIS (Danforth): Plus the $35,000,000 maturing on May 1?

Mr. ABBOTT: Yes.

Mr. BLACKMORE: Would the parliamentary assistant give the committee some idea of the average interest rate obtaining on these bonds?

Mr. ABBOTT: The average interest rate now is 4·13 per cent.

Mr. BLACKMORE: And could the parliamentary assistant give us some idea of what the average rate will be under the proposed refunding scheme?

Mr. ABBOTT: I cannot give that information, other than to say that since the beginning of the war, as I pointed out when this resolution was in the committee stage, moneys have been advanced by the government instead of going into the open market, and the rate charged has been 3½ per cent.

Mr. KNOWLES: When we were in committee of the whole on the resolution which preceded this bill I asked the parliamentary assistant a question relating to the matter to which he has just referred. I asked if he could give us the total indebtedness of the Canadian National Railways before the war and at the present time, breaking it down into funded debt and the debt to the consolidated revenue fund. I was anxious to see the trend; I believe one figure goes up as the other goes down.

Mr. ABBOTT: I have that information. On December 31, 1938, the end of the last fiscal year of the railway before the war, the funded debt in the hands of the public amounted to $1,249,996,422.59. Loans from the government amounted to $48,144,804.73, making a total of $1,298,141,227.32. At December 31, 1943, the funded debt in the hands of the public was $744,232,472.60. Loans from the government totalled $537,323,765.07. The total indebtedness of funded debt and loans from the government amounted to $1,281,556,237.67, or an over-all decrease of $16,584,989.65. I think that was the information the hon. member asked for.

Mr. HARRIS (Danforth): I did not have an opportunity when the resolution was before the committee to point out certain things I had in mind, because the statement with regard to maturing or callable bond issues was not available. This was placed on *Hansard*

during that particular session of the committee. I endorse what the parliamentary assistant has to say with regard to maturing obligations. Many of the securities referred to in this table which was placed on *Hansard* do not mature before 1950 but are callable prior to that date. The parliamentary assistant is reported on page 1984 of *Hansard* as saying:

> The reason for asking for statutory authority to enable the railroad to make refunding loans is to enable the railroad, if market conditions are such that it would be advantageous to do so, to call in high coupon securities and refund with lower coupon securities.

With that policy I am quite in accord, but I should like to make a comment. We have maturing on July 1, 1969, but callable on July 1, 1944, some $56,704,000 of five per cent, dominion government guaranteed. I think we will all agree that those should be called. We come now to an item of $20,000,000 which is due February 1, 1952, but callable February 1, 1948. These bonds are three per cent, government guaranteed. On the surface it would not seem to be sound business to refund those three per cent bonds at three and a half per cent, and I presume that after a study is made by those in charge of the railroad these will not be called with the resultant expense that would occur. I think the same would apply to the next item of $25,000,000 which is due February 1, 1953, but is callable February 15, 1948. I appreciate the opportunity of placing these remarks on the record at this stage.

Section agreed to.

Sections 3 to 6 inclusive agreed to.

On section 7—Loans authorized to national company not exceeding aggregate amount of $200,000,000.

Mr. HARRIS (Danforth): I think in fairness to the committee and the house there should appear within the confines of the annual report to parliament a statement of what has been called and what it is proposed to call when the budget is presented for the coming year. The transactions of the current year are embodied in the railway report, but the budget does not give any idea of what the policy for the year following will be. As I say, I think the railroad should recite their policy so that we may have some idea of what it is to be with regard to financing from year to year.

Mr. JACKMAN: During the sittings of the railway committee I believe an item came up in connection with some two per cent C.N.R. bonds or C.N.R. equipment certificates which came due. Instead of the railway being allowed to go to the public market to replace these bonds with bonds bearing a similar rate of interest, they had to borrow from the government at three and a half per cent, the rate just mentioned by the parliamentary assistant. I do not think any such discrimination would be allowed against a private railway company. While I am not one who believes that the public is best served by public ownership I see no reason why there should be discrimination in the case of this refunding when it is not likely that any private company would be so discriminated against, particularly in connection with the refunding of an equipment issue.

I like to see the things owned by the public and those owned by private enterprise kept on an even keel so that a fair comparison can be made. For instance, recently I was in the North Bay office of the T.C.A. and I saw there a safe marked "C.N.R." At Lethbridge and Calgary the trucks which refueled the plane were United States army trucks. How are we to know that the accounts of publicly owned corporations such as the T.C.A. or the C.N.R. are on a fair or comparative basis unless they are treated in the same way as our private companies? I would suggest to the Minister of Transport or the Minister of Finance or the parliamentary assistant that the C.N.R. be allowed to refinance its maturing obligations in the same manner as a private company.

I realize that it makes no difference to the people of Canada whether the financing is done by the government at three and a half per cent or whether the railway company is allowed to go directly to the financial market to raise its own funds, but I think each compartment, if you like, should stand on its own feet. The C.N.R. should not be discriminated against in a special field of this kind.

Section agreed to.

Bill reported, read the third time and passed.

WATER METERS INSPECTION

REPEAL OF ACT ASSENTED TO IN 1905

Hon. C. W. G. GIBSON (Minister of National Revenue) moved the second reading of bill No. 36, to repeal the Water Meters Inspection Act.

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

On section 1—Act repealed.

Mr. POULIOT: Mr. Chairman, this is the kind of bill that I like, since I have moved similar bills to repeal some of Bennett's rotten social legislation. I was however, unsuccess-

ful. There should be a cleaning up of the statute book, and all pieces of legislation that are useless should be repealed. It is not a question of water meters. It is a question of cleaning up the statute book now. The practice—Senator Dandurand explained it well in the other chamber—is that when a government brings in legislation that is considered bad by the opposition, the opposition condemns it, but when it comes into power, all that legislation which has been so bitterly criticized is still left on the statute book, and the same thing happens when there is another change of government. Therefore, in the old cupboard we find dirty sheets piled up over clean sheets. What a mess! There is nothing clean at all. I submit that this bill should serve as a precedent and that lots of bills of the same sort should be passed to clean up the whole statute book.

Section agreed to.

Bill reported, read the third time and passed.

BUSINESS OF THE HOUSE

Mr. MACKENZIE KING moved the adjournment of the house.

He said: I should like to thank the hon. members for the cooperation they have given during the day in getting through the various measures that have been carried this afternoon and to-night.

Motion agreed to and the house adjourned at 11.05 p.m.

END OF VOLUME II.